

CLOSED
UNTIL

C.O.

1998

Brunei.

1946-7

No.

59701

C.O. 943/1/1

SUBJECT

Estimates 1946.



Previous

51535/41

Subsequent

see 59710/47
(1947 Estimates)

1997

- c.1.
1. *Brunei Estimates - 1946.*
 2. *Note on financial position*
 3. *Extract from Memorandum by Col Stafford.*

These estimates are for a period of 9 months, and represent a deficit of £354,093 (or £41,310). As Colonel Stafford says in (3) the restoration of Brunei to civil government took place $3\frac{1}{2}$ months later than was originally expected (on 15th July, not 1st April) with the result that the recurrent expenditure for that period and some part of the special expenditure will have been met from military funds.

A comparison of the figures for 1946 with previous years is as follows:-

	<u>Revenue</u>	<u>Expenditure</u>	<u>Surplus</u> <u>Deficit</u>
	£	£	£
1931	342,010	322,791	+ 19,219
1932	362,403	334,329	+ 28,074
1933	580,756	514,812	+ 65,944
1934	645,020	545,021	+ 99,999
1935	813,532	786,201	+ 27,331
1936	928,690	779,521	+149,169
1937	1,049,293	653,150	+396,143
1938	1,179,979	1,476,725	-296,746
1939	1,245,370	1,231,860	+ 13,510
1940			
(Est.)	1,359,210	1,375,136	- 15,926
1946			
(Est. for 9 months)	640,422	994,515	-354,093

Of the total revenue £255,412, or approximately 42%, is derived from oil royalties and mining rents. This figure has remained fairly constant throughout the years. Duties, Taxes, and Licenses account for about 31% (as opposed to 30% in the 1940 Estimates), leaving 27% divided between the remaining sources of revenue. It should be noted that there is now no revenue from the sale of Chandu, which, for example, in 1938 accounted for £76,855 (or about 7%), in 1937 about 8%, and in 1942 about 10%; nor has any assessment been attempted of interest on loans and bank balances, or of currency profits, which in 1942 were estimated at £93,625. On the other hand, the 1946 Estimates include the sum of the Cession Monies accrued over the five years of Japanese occupation - which is £76,000 as opposed to £15,200 in a normal year. This, of course, is on the assumption that cession monies are still liable during the war which I imagine to be the case.

It is interesting to note that the oil wells in Sarawak are reported to be virtually worked out, and that the policy of the Oil Company in Brunei is to make 'a vigorous attempt to return to full

peacetime

3

peacetime production with a minimum of delay. It may well be that the intention is to make amends for the loss in Sarawak by increased activity in Brunei, and that Sarawak's financial loss will be Brunei's gain.

The estimated expenditure is on a scale that cannot bear comparison with any previous year. The need is abnormal, and expenditure depends very largely on the quantity of goods and labour available rather than the amount of work which needs to be put in hand. This point is stressed in Captain Baker's covering note attached (in brown cover). Other unknown factors are the eventual contribution from Brunei funds towards the cost of the military administration; the cost of relief and rehabilitation goods supplied to Brunei; and the cost of fixed assets, equipment, etc. handed over to the civil government by the military on the transfer of the territory to the civilian administration.

An idea of the size of the projected special expenditure can be gained by a comparison of the percentage of annually recurrent expenditure of the total expenditure in the nine months budgeted for in 1946 and, for example, 1940 - which is 44% compared with 62%

The financial position of the State is complicated by the number of unknown factors. At the time that the Estimates were drawn up only a minute proportion of the rubber available for export had in fact been exported. Provided that facilities for export are quickly forthcoming, that the goods urgently needed for the restoration of essential buildings and services are made available, and that the oil company makes the speedy progress towards recovery which it evidently intends to make, then it would appear that there need not be any great fear for the future financial stability of the State, although it is likely that expenditure will exceed revenue at any rate for the next few years.

Captain Baker - who was responsible for compiling the Estimates - has written brief notes, mentioned earlier, which provide a useful commentary on the present position.

J. W. Mayle

2.8.46.

Mr. Mayle.

I am afraid that I have not had time to study in any detail the attached draft Estimates for Brunei which were prepared by the B.M.A. (BB) last April. I wonder however whether there is in fact any point in considering them in detail,

since

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since, as Col. Stafford points out in his memorandum of the 12th July, of which the relevant extracts are registered at (3) on this file, the draft Estimates in question were prepared for the period 1st April - 31st December, 1946, and will need to be entirely recast in consequence of the fact that civil government in Brunei was not restored until the 6th July.

We will have to consider the nature of the control which is to be exercised over Brunei's finances for the next year or two, as we have recently done for Sarawak (on file 53189/46). But I doubt whether we can effectively pursue this matter until we have further details of Brunei's current financial position and a more accurate forecast of its prospects in the immediate future.

I suggest therefore that as a first step we should telegraph to the Governor-General as in draft herewith.

A.N. Salsworth

9.8.46.

L. M. S. S.
10/8
at 10

10/9 4

Tel. for Gen. Singapore no 147. (kms)

10/8/46

*(4) no reply - ? wait
Hatchpole
10/9*

5. Tel. No. 197 from G.G. Malaya — 11/9/46

1. The Governor-General's telegram at (5) gives us the revised Brunei budget figures for the period 6th July - 31st December, 1946.

2. The B.M.A. originally prepared draft Estimates for Brunei, for the period 1st April - 31st December, in anticipation of civil government being resumed in April. These Estimates, of which details are attached below, provided in round figures for:-

£

<u>Revenue</u>	74,700
<u>Expenditure</u>	
Personal Emoluments	37,750
Other Charges	
Annually recurrent	52,000
Special expenditure	26,200
	<hr/>
Total	115,950
	<hr/>
<u>Deficit</u>	41,250

3. With the deferment of the handover to civil government, Col. Stafford gave us the following very rough estimate of the requirements for the period 15th July - 31st December (see 3):-

£

<u>Revenue</u>	49,000
<u>Expenditure</u>	
Recurrent	53,000
Special	16,000
	<hr/>
	69,000
	<hr/>
<u>Deficit</u>	20,000

We telegraphed these figures out to the Governor-General at 4, but without drawing attention to the fact that Col. Stafford had overlooked the question of Personal Emoluments in his estimate of expenditure. This item has however been included in the Estimates now supplied by the Governor-General at (5).

4. The position disclosed in (5) is, I think, an encouraging one. In particular, the estimated revenue for the six months period is now £93,000, as compared with the B.M.A. estimate for a nine-month period of only some £74,700 and Col. Stafford's rather gloomy estimate of £49,000 for the six month period. If this figure is realised, it argues a much more rapid return to prosperity on the part of Brunei than had previously been thought possible, as the present estimate of revenue for the nine month period does not fall so very far below the average yearly revenue for the period 1936-1940 inclusive, which to the nearest round figure was £134,500.

5. On the expenditure side, the figure now given for recurrent expenditure is that included in the B.M.A. draft Estimates prepared last April, which was, I think, based on the 1942 draft Estimates and is therefore probably reasonable. We have no separate figures for expenditure on personal emoluments in pre-war years, and therefore a comparison of the

present

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present estimate of £33,000 with pre-war figures is not possible. No doubt however the present figure would prove to be considerably higher than in any pre-war year, on the assumption that it includes rehabilitation grants, arrears of pensions, etc. in respect of the Japanese occupation.

6. The Governor-General points out in his telegram that owing to shortage of materials it is unlikely that the special expenditure target will be reached, so that the estimated deficit will probably be less than £15,000.

7. The nominal value of Brunei Reserve Funds at present held by the Crown Agents is as follows:-

	£
General Reserve Fund	104,000
Surplus Balances Investment	45,000
Opium Revenue Replacement Reserve Fund	29,000
Cash	<u>14,000</u>
Total.	<u>£192,000</u>

It seems clear therefore that the present estimated deficit can be very easily carried, particularly having regard to Brunei's bright prospects from oil revenue.

8. There can be no doubt that financially speaking Brunei is comparatively much the soundest of all the Borneo territories, though like its neighbours, Sarawak and North Borneo, Brunei has unknown liabilities in the form of (a) repayment of its share of the cost of the relief and rehabilitation goods, (b) an ultimate contribution towards the costs of the Military Administration (unless this is waived), and (c) a contribution towards the cost of war damage compensation. But even when these unknown liabilities are taken into account, I think we can safely say that there is no danger of Brunei ~~ever~~ falling under Treasury control.

9. The Governor-General enquires whether the detailed Estimates may be approved forthwith, or whether prior examination will be necessary here. It will be seen from the attached pre-war Estimates papers that Brunei Estimates have never been submitted to the Secretary of State for his prior approval. The practice in the past seems to have been for them to be approved by the High Commissioner for the Malay States, who would then forward them to the Secretary of State with his comments and with an explanatory memorandum by the British Resident on the State's financial position and prospects.

10. I do not see any ground for modifying this procedure in the case of Brunei, but in the present rather special circumstances of the Borneo territories I suggest, after discussion with Mr. Palmer, that we should ask the Governor-General

- (a) to keep us informed of the general trend of Brunei's financial position by the submission of quarterly returns; and
- (b) to refer to the Secretary of State for prior sanction any expenditure involving a point of principle likely to have repercussions in other Far Eastern territories, e.g. such matters as salaries and conditions of service of Asiatic Staff.

I therefore suggest that we should reply to (5) as in draft herewith. I do not think it is necessary to consult the Treasury before this reply is despatched, and I suggest that it will be sufficient if we simply send them copies of (5) and the reply under cover of a short letter to Mr. Serpell, in which we might undertake to send the Treasury for their information a copy of the detailed Estimates when received.

I pass this file through Mr. Palmer and Mr. Emanuel.

A. N. Galsworthy
24.9.46.

I agree
24/9

[Signature]

7/10

[Signature]
9/10
action

- 6 To Gov. Genl. Singapore Tel no 273 *11/10/46.*
- 7. Tel. No. 229 from G. G. Malaya — *7/10/46*

I attach a draft on the lines indicated in para. 10 of Mr. Galsworthy's minute of 24.9.46.

A. J. H. Murray
14.10.46.

8

8. Tel. 9.9.260 from. G.G. Malaya. - 22/10/46.

(8) should be sent to the
Treasurer with (5) & (6). I have
indicated this on the attached
draft. A.H. 24. x. 46.

Mr. Mayle.

You will wish to see No.8, particularly paragraph 3. It is satisfactory that receipts from the sale of supplies procured by the Crown Agents on Government account are not being turned into general revenue, but are being kept in a separate account against the day when His Majesty's Government present their bill. As the Supplies Department is being regarded as a separate entity, presumably expenditure on that Department is also shown separately, and is not included in the estimate of special or recurrent expenditure in No.5. This however we shall be able to check when we receive the detailed Estimates.

I think the letter to the Treasury can be quite short - as in revised draft herewith, which I pass through Mr. Palmer. Mr. Palmer will also wish to note No.8 in connection with the despatches he is preparing for all the Borneo territories on the financial aspects of the supplies procurement programmes.

Noted
A.H. 31/10

A.W. Salisbury

29.10.46.

L.M. 1/11

9 Treasury 4. 5. 6 7 8 — 6 11 46
2

10. From Treasury — 6/12/46.

I attach a draft reply
to (10) in case this is thought
necessary. A.H. 30/12

I have spoken with Mr. Serpell about No.10. This enquiry was made before the recent agreement was concluded with the Treasury, whereby the Borneo Governments accepted liability for reimbursing to the Treasury the latter's expenditure on the cost of relief and rehabilitation goods on the second six months programme shipped before the 31st December, 1946, and agreed that all shipments after that date should be debited direct to the Colonial funds concerned. Mr. Serpell does not now wish to pursue his enquiry, in view of this agreement, and does not expect an answer to No.10. Put by.

W. Galsworthy

1.1.47.

atmu

11. *G. G. Malaya* ¹⁹⁴⁷ *Desp 1. Sec.* *30-1-47*

Mr Palmer

10

I imagine this is for you.

MBamage 5.2.47.

Mr. Galsworthy.

As these estimates cover the period to 31.12.46 there is little point in examining them in detail. The position is more favourable than that envisaged in earlier minutes, as the estimated deficit is now given as \$84,458 (£9,854) instead of £15,000 given in No.5, and probably the ultimate out-turn will be even more favourable. Also available net reserves are shewn as \$2,816,662 = £328,610 as compared with £192,000. referred to in No.9.

The only point of importance which arises out of No.11 is the pre-war policy referred to in paragraph 2. This policy was based on the assumption that the oil in Brunei was a wasting asset and accordingly revenue derived from oil should be used solely for meeting special and extraordinary expenditure, and any surplus should be placed to the reserve, whilst the normal recurrent expenditure should be met from revenue other than that from oil. In this way it was intended to secure that revenue from a wasting asset should not be spent on capital schemes which the territory would be unable to afford to maintain when the oil revenue ceased. In 1947, however, it is estimated that oil revenues will amount to at least two thirds of the total revenue and the British Resident therefore considers that the above pre-war policy would be too restrictive if ^{Brunei} ~~Borneo~~ is to benefit from its good fortune arising from the increasing oil revenues. The Resident, however, envisages that in fact it will be difficult to launch out on new public works owing to the shortage

/of

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of personnel and materials.

The pre-war policy also certainly seemed a somewhat unduly conservative financial policy, although doubtless useful as a rule of thumb method of ^{avoiding the danger of} running too great financial risks. If it were possible, it would be preferable if the British Resident could attempt to draw up some forecast of the financial position of the territory over the next, say, 5 years, allowing for such contingent liabilities as war damage, and a possible contribution to the cost of the military administration. On this basis a somewhat more realistic financial policy could be considered.

Finance Department and Development Department may wish to comment on this aspect but the matter should, perhaps, more properly form the subject of any communication to the Governor-General in connection with the 1947 estimates when these are dealt with in the Department.

Palmer

20. 2. 47.

12 G.G. Malaya — 3 pm — 7-3-47

No. 12 on this file has been received since Mr. Palmer's minute of 20th February above, and shows that the estimated deficit for the period July to December 1946 (up to the 6th July Brunei was under Military Administration) has turned into a surplus of \$94,545. But as the Treasurer's memorandum enclosed in No. 12 shows, this result was due not to an increase in revenue (in fact revenue fell short of the estimate by \$32,785), but to a decrease in expenditure due to the non-arrival of materials and reduced expenditure on account of the cost of civil staff.

However the general financial position of the State remains sound.

With regard to the question of whether there should be any revision of Brunei's pre-war financial policy, described in para. 2 of Mr. Palmer's minute

above,

above, the Governor General recommends in No.11 that we should adhere to that policy for the time being. The British Resident on the other hand feels the policy may be too cautious and restrictive. It is undoubtedly the case that social services in Brunei, education in particular, will need to be expanded, and I should think that more money will have to be devoted to development than was the case in the past. For 1947 however I think the Governor-General's more cautious line is the right one. During this year we may hope to get an idea of Brunei's war damage liability (personally I think we can leave out of accounts the question of a possible contribution towards the cost of the Military Administration) and may also expect, I think, that sometime this year a decision will be taken in regard to Brunei's future place in the administrative organisation of the Borneo territories, i.e. whether it is to be linked in some form of closer union (involving joint services and establishment) with either Sarawak or North Borneo. If any such arrangement is ultimately adopted special consideration will have to be given to the financial implications, if any, and until this question has been decided and Brunei's war damage liability has been determined I can see no real advantage in any departure from Brunei's established financial policy.

of

On the point/customs policy, also raised in the Governor General's despatch at No.11, this question was discussed at the Borneo Governors' Conference held on the 31st of January, and I attach for information at No.13 a copy of the relevant extracts from the minutes of the Conference. At that Conference the Governor General expressed the view that customs policy in the three Borneo territories should be kept uniform (although the Governor of Sarawak said he doubted whether there would be repercussions in Sarawak if Brunei were to reduce their export duty on rubber). I do not think we need pursue the matter on these papers, since a copy of No.13 has been sent to Economic Division and will presumably be considered on their papers.

The other points to be noted in connection with Import Duty is that we have decided, subject to Treasury concurrence which we are now endeavouring to obtain, to suggest to the three Borneo Governments that they should agree to the remission on Import Duties on the importation of equipment etc. required to rehabilitate industries damaged or destroyed during the war.

I suggest therefore, subject to the views of Finance and Development Division, that we might now reply to the Governor-General by despatch acknowledging Nos. 11 and 12, and saying that the Secretary of State agrees that for the time being there should be no substantial departure from Brunei's traditional financial policy, and suggesting that this question be reviewed when the extent of the war damage liability in the territory is known

and

and the State's ^{position} ~~claim~~ in the future political and administrative organisation of the Borneo territories has been settled.

I suggest also that I should write to Mr. Serpell at the Treasury sending him for his information a copy of the Governor-General's despatch at No. 11 and of the enclosures thereto, together with a copy of the enclosures to No. 12, and a copy of our despatch to the Governor-General in reply to No. 11.

A. N. Salsomathy

24.3.47.

Nothing particular arises out of 12, but as to 11. I do think the question of the State's "working asset" should be studied at once. Financial policy cannot be framed unless this financial side is in hand. I see no reason for putting off obtaining it. We want an estimate of the annual revenue from the oil royalties & an appreciation of the financial position arising thereon. I would say that while the traditional policy will not be disturbed for the time being, it must depend on the weight of the oil revenue in the future. This can all be looked at again when the 1947 Estimates arrive.

25/3/47.

W. W. Leatham

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In accordance with Mr. Galsworthy's minute of 24.3.47., I submit a draft despatch to the Governor-General acknowledging No.11 and No.12, and a short draft letter to Mr. Serpell at the Treasury, enclosing copies of this correspondence for his information.

(Sgd). M.B. Ramage.

31.3.47.

Mr. Burt.
Mr. Palmer.

Please see the draft despatch opposite to the Governor General, and the consequent draft letter to Mr. Serpell at the Treasury.

As I am not quite sure exactly what stage we have reached in our negotiations with the Oil Company, perhaps Mr. Burt will confirm that we can reasonably ask the British Resident to provide a forecast of the State's expectation of revenue from oil sources over the next five years?

A. N. Galsworthy

8.4.47.

The Borneo Govt. has agreed to accept the British Malayan Petroleum Company's offer of £2:5:0 a ton for light crude oil & £1:15:0 a ton for heavy crude oil for 10% of the Company's production due to the Govt. as royalty in kind. The Govt. however, on the advice of the Ref Fuel & Power is prepared to accept these prices for 2 years only at the end of which they will be reviewed in the light of the Company's refining position at

history and Sumatra Island, 15
 It will, therefore, only be possible
 to give a fair estimate of
 royalty revenue for 2 years,
 although the figures given above
 could also, I think, be accepted
 as the minimum royalty for the
 5 years period as it is most
 unlikely that they will be
 reduced unless there is a
 steep decline in oil prices.

N.S. Jones
9/4

I am kind wishes the
 draft becomes amendment on
 this point.

L. G. M.
J. M.
C. M.

13 Extract fr. Min. of meeting of Borneo for. Conf. held at
 Jesselton on 31-1-47

14 to Gov. Gen. Malaya. Conf. Despatch 31 ref (11+12)

6.5.47

15 ¹⁰ Treasury memo dated 11.12 + 2/14

7 5 47
 ✓

In 59210/47 { 16. G. G. Malaya — 3pm — 9-6-47
 17 " " — Despatch 6 — 17-6-47 }

16
15
Colonial Office,
Downing Street
S.W.1.

7 May, 1947.

1001/47.
Dear Serpell.

With reference to Mayle's letter of the 6th of November last I now enclose for your information copies of the detailed Brunei Estimates for 1946, together with a Memorandum by the Treasurer, Brunei and of the Governor-General's covering despatch No. 1 of the 30th of January. I also enclose for your information copies of the Brunei financial statement for the 4th quarter of 1946, and of a further memorandum by the Treasurer, Brunei.

2. You will see that Brunei ended up the year with a surplus of some \$94,500 in place of the estimated deficit. Although this surplus was not due to any increase in revenue (in fact revenue fell short of the estimate by some \$32,700), but to a decrease in expenditure due to the non-arrival of certain materials and reduced expenditure on account of the cost of civil staff, nevertheless the financial position of Brunei remains sound.

3. You will see that the Governor General expresses the view in paragraph 2 of his despatch of the 30th of January that there should for the present be no considerable departure from Brunei's pre-war financial policy, whereby personal emoluments and other charges annually recurrent were kept within the limits of revenue derived from sources other than oil, revenue from oil royalties being devoted only to Departmental Special Expenditure, Public Works Extraordinary, and payments to the General Reserve Fund. We agree with the Governor General's view, but consider that the

D. R. SERPELL, Esq., O.B.E.,

/whole

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whole question should be reviewed in the light of (a) whatever arrangements may ultimately be made in connection with the State's war damage liability and (b) whatever is ultimately decided in respect of Brunel's position in the political and administrative organisation of the British Borneo territories. We have therefore replied to the Governor General on the above lines by despatch, of which I enclose a copy for your information. You will also note that we have suggested that the British Resident be asked to prepare an estimate of the State's financial prospects over the next five years, as the basis on which the State's financial policy may later be reviewed.

Yours sincerely,

(A. M. Galeworthy)

59701/47.

C. O.

Mr. Galsworthy 8/4

Mr. Rayle

Mr.

Mr.

23 APR

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

For Mr. Galsworthy's signature.

DRAFT. LETTER

D.R. SERPELL, ESQ., O.B.E.,
TREASURY.

Dear Serpell,

(9) With reference to Mayle's letter of the 6th of November last I now enclose for your information ^{copies} ~~a copy~~ of the detailed Brunei Estimates for 1946, together with a Memorandum by the Treasurer, Brunei and of the Governor-General's covering despatch, No.1 of the 30th of January. I also enclose for your information copies of the Brunei financial statement for the 4th quarter of 1946, and ^{of further} a memorandum by the Treasurer, Brunei.

2. You will see that Brunei ended up the year with a surplus of some \$94,500 in place of the estimated deficit. Although this surplus was not due to any increase in revenue (in fact revenue fell short of the estimate by some \$32,700), but to a decrease in expenditure due to the non-arrival of certain materials and reduced expenditure on account of the cost of civil staff, nevertheless the financial position of Brunei remains sound enough.

FURTHER ACTION.

*Copies sent to
Accounts
papers Wilson*

3. You will see that the Governor General expresses the view in para. 2 of his despatch of the 30th of January that there should for the present be no considerable departure from Brunei's pre-war financial policy, whereby personal emoluments and other charges annually recurrent were kept within the limits of revenue derived from sources other than oil, ^{revenue from} ~~all~~ oil royalties being devoted only to ^{Special} ~~Departmental~~ ~~social~~ Expenditure, Public Works Extraordinary, and payments to the General Reserve Fund. We agree with the Governor General's view, but consider that the whole question should be reviewed in the light of (a) whatever arrangements may ultimately be made in connection with the State's war damage liability and (b) whatever is ultimately decided in respect of Brunei's position in the political and administrative organisation of the British Borneo territories. We have therefore replied to the Governor General on the above lines by despatch, of which I enclose a copy for your information. You will also note that we have suggested that the British Resident be asked to prepare an estimate of the State's financial prospects over the next five years, ^{as} ~~and~~ the basis on which the State's financial policy may later be reviewed.

accy. desps.

Yours sincerely,

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59701/47.

MALAYA

No. 31

CONFIDENTIAL

Colonial Office,

Downing Street,

6 May, 1947.

Amid. (9) on 59710/47

Sir,

I have the honour to acknowledge the receipt of your secret despatch No.1 of the 30th January, 1947 on the subject of the Brunei estimates, and the Secretary-General's third person note No. GG.202/46 dated the 7th March, 1947, enclosing copies of Brunei Financial Statements for the fourth quarter of 1946, together with a memorandum by the Treasurer of Brunei.

2. With reference to paragraph 2 (a) of your despatch No. 1 I agree with your view that for the present there should be no considerable departure from the pre-war Brunei financial policy of keeping Personal Emoluments and

GOVERNOR GENERAL

THE RIGHT HONOURABLE MALCOLM MACDONALD.

etc.,

etc.,

etc.,

/other

21

Other Charges Annually Recurrent within the limits of Revenues derived from sources other than oil, revenue from oil royalties being devoted only to Departmental Special Expenditure, Public Works Extraordinary, and payments to the General Reserve Fund. I suggest however, that it might be desirable to review this policy in the light of whatever arrangements may ultimately be decided in connection with Brunei's liability for war damage compensation and the position of the State in the ultimate administrative and political organisation of the Borneo territories. As the basis for this review it would also be necessary to have available more definite information as to the territory's future financial prospects. I would therefore suggest that the British Resident might with advantage be asked to prepare a forecast of the financial position of the territory over, say, the next five years, with special reference to the

...050

...050

...050

/likely

likely revenue to be derived from oil royalties,
and making allowance for such contingent liabilities
as war damage compensation, so that the question
of whether any change may be desirable in the
State's pre-war financial policy may be considered
in connection with the preparation of the State's
Estimates for 1948.

I have the honour to be
Sir,
Your most obedient,
humble servant,

(sgd) A. Creech Jones.

(sgd) A. Creech Jones.

59701/47.

23

14

C. O.

C. O.
23 APR
2/5

Mr. Ramage 31/3

Mr. Galsworthy 8/4

Mr. Burt 8/4

Mr. Palmer 2/4

Mr. Mayle 2/4

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

6 MAY 1947

W. J. as draft

CONFIDENTIAL

DRAFT. DESPATCH 31

Sir,

THE GOVERNOR GENERAL,
MALAYA.

(11)

(12)

I have etc., to acknowledge the receipt of your secret despatch No.1 of the 30th January, 1947 on the subject of the Brunei estimates, and the Secretary-General's third person note No.GG.202/46 dated the 7th March, 1947, enclosing copies of Brunei Financial Statements for the fourth quarter of 1946, together with a memorandum by the Treasurer of Brunei.

2. With reference to paragraph 2(a) of your despatch No.1 I agree with your view that for the present there should be no considerable departure from the pre-war Brunei financial policy of keeping Personal Emoluments and Other Charges Annually Recurrent within the limits of revenues derived from sources other than oil, revenue from oil royalties being devoted only to Departmental Special Expenditure, Public Works Extraordinary, and payments to the General Reserve Fund. I suggest however that it might be desirable to review this policy in the light of whatever arrangements may ultimately be decided in connection with Brunei's liability for war damage

compensation

FURTHER ACTION.

*Copy to Treasury
(see draft below)*

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compensation and the position of the State in the ultimate administrative and political organisation of the Borneo territories. As the basis for this review it would also be necessary to have available more definite information as to the territory's future financial prospects, ~~and~~ I would therefore suggest that the British Resident might with advantage be asked to prepare a forecast of the financial position of the territory over, say, the next five years, with special reference to the likely revenue to be derived from oil royalties, and making allowance for such contingent liabilities as war damage compensation, so that the question of whether any change may be desirable in the State's pre-war financial policy may be considered in connection with the preparation of the State's Estimates for 1948.

I have, etc.

25 13

*Extract from Minutes of Meeting of
Borneo Govs. Conf. held at Jesselton
on 31-1-47*

ITEM 7.

CUSTOMS POLICY.

The Acting-Governor of North Borneo said in connection with Sarawak's proposal in raising the duties on liquors and tobacco with effect from 1st January, 1947, the letter from Sarawak took over two weeks to reach him and the Secretary of State had approved the proposal before North Borneo knew anything about it. He suggested that, in future, urgent letters should be sent by 'plane, by hand of the pilot. He added that at present a committee was sitting in North Borneo to consider the provision of Customs duties to bridge the gap between the revenue and expenditure, especially import duties.

The British Resident, Brunei, said he received frequent complaints about the Customs in Brunei, European planters especially objecting to the duty on rubber, - being at the old Malayan rate of four cents per pound, instead of 2½ cents.

The Governor of Sarawak said that he also had had petitions and had had to refuse them for financial reasons, but this, of course, did not apply in the case of Brunei. He said he doubted whether there would be repercussions in Sarawak if Brunei were to reduce the export duty on rubber. He said, further, that if Malaya was Brunei's criterion, why did not Brunei raise its import duties to Malaya's level. He said that Sarawak has to raise more revenue but for the moment he has had to hold his hand for political reasons.

The Governor-General considered that it was important to keep Customs policy uniform in the whole of the Borneo sphere and he therefore suggested that the rubber duty in Brunei should be kept for the moment as it is at present, and this weapon should be reserved for possible use in future constitutional discussions. He said that as regards the increased duty on liquor and tobacco, Brunei might hold its hand and see what happens. He suggested, also, that Brunei might be able to get into touch with the Tobacco distributors on the question of possible rise in prices.

TELEGRAPHIC ADDRESS:
"GOVGEN SINGAPORE"

Governor-General's Office,
CATHAY BUILDING (9TH FLOOR),

12
26

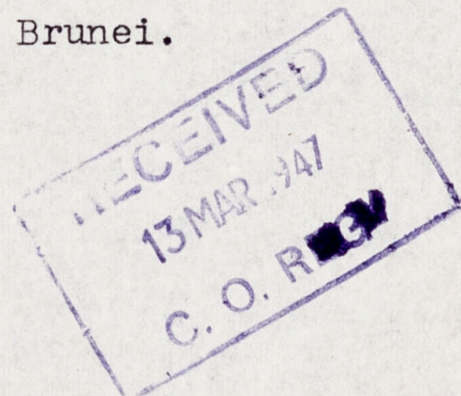
Ref: G.G.202/46.

Singapore, 7th March 1947

59701/47

3/2

The Secretary-General presents his compliments to the Under Secretary of State for the Colonies and, with reference to paragraph 3 of the Governor-General's Secret (II) despatch No. 1 dated the 30th January, 1947, _____ has the honour to forward three copies of the Brunei Financial Statements for the fourth quarter, 1946, together with three copies of _____ a Memorandum by the Treasurer, Brunei.



The Under Secretary of State for the Colonies,
COLONIAL OFFICE.

See (14)

COPY

27

The Treasury,
Brunei,

21. 2. 47.

British Resident,
Brunei.

With reference to the State's financial position and prospects, I enclose herewith the following
----- statements for the fourth quarter of 1946.

- (a) Surplus and Deficit Account
- (b) Assets and Liabilities
- (c) Account of Cash receipts and payments.

In addition to these statements I enclose another one (D) in which is set-forth the actual and estimated Revenue and Expenditure for the second half of 1946. From the latter it will be seen that the State ended the half year (this period coincided almost exactly with the resumption of the Civil Government) with a surplus of \$94,549.00. This appears to be a great deal brighter than the original estimate for a deficit of \$134,458.00 - and the revised estimate for a deficit of \$84,458.00 - but it is superficially misleading for the following reasons. Expenditure on account of Special Expenditure and Public Works Extraordinary dropped by \$61,000.00 - and \$56,000.00 - respectively owing to the non-arrival of materials and similarly Personal Emoluments and O.C.A.R. dropped by \$30,000 and \$17,000 respectively the major causes of which were the provision for Civil Staff which did not eventuate until the departure of B.M.A. army officers towards the end of the year and the non-payment of the State contribution to the M.E.O.

Revenue was much as expected there being a deficit in the estimates of only \$32,785.

As has been made clear in my covering memorandum to the 1947 estimates the prospects of the State are sound and good.

(Sgd.) D. TRUMBLE,
STATE TREASURER,
BRUNEI.

COPY

A.

SURPLUS AND DEFICIT ACCOUNT

October - December 1946

1946			
Dec 31 -	To Expenditure	By Revenue	
	(Oct - Dec 46)	(Oct - Dec 46)	
	Balance		
	\$416,949.72		\$499,305.30
	82,355.58		
	<u>\$499,305.30</u>		<u>\$499,305.30</u>
	=====		=====

B.

ASSETS AND LIABILITIES FOR LAST QUARTER 1946

Liabilities

Assets

Cash Balance	...	...	\$733,621.71	Joint Colonial Fund	\$8,571.43
Advance	...	...	64,910.41		
Suspense	...	...	22,758.42		
Deposit	...	...	20,721.61	Cash in Hand	401,000.19
Crown Agents Current a/c			5,327.89	" " Bank	<u>520,124.00</u>
Excess Assets over					\$921,124.19
Liabilities	...	...	<u>82,355.58</u>		
			<u>\$929,695.62</u>		<u>\$929,695.62</u>
			=====		=====

C.

ACCOUNTS OF CASH RECEIPT AND PAYMENT FROM 1st OCT. TO 31st DEC., 1946.RECEIPTS

Balance 1st October 1946		£733,621.71
--------------------------	--	-------------

A. - Head of Revenue

Customs	...	...	£313,110.77	
Licences and Excise	...	...	13,493.01	
Municipal	...	...	3,955.02	
Courts	...	...	3,204.57	
Surveys	...	...	104.80	
General	...	...	4,617.19	
Posts and Telegraphs	...	...	25,878.14	
Electrical	...	...	858.96	
Land Revenue and Oil Royalties			77,823.74	
Interests	...	...	55,063.60	
Currency Profits	...	...	-
Premia and Land Sales	...	...	1,195.50	
Total, REVENUE...				499,305.30

B. - Other Receipts

Advance	...	...	242,022.15	
Suspense	...	...	389,179.83	
Deposit	...	...	32,636.26	
Cash in Transit	...	...	52,515.36	
Crown Agents Current	...	...	19,939.47	
Joint Colonial Fund	...	...	34,285.72	
Opium Revenue Replacement Reserve Fund	...	...	6,561.50	
Total, RECEIPTS..				777,140.29

Total RECEIPTS WITH OPENING BALANCE	...	£2,010,067.30
		=====

COPY

30

PAYMENTS

A. - Head of Expenditure

1. Pensions, Retired Allowances, Gratuities etc. ...		£55,499.31	
2. H.H.The Sultan ...	...	12,538.05	
3. Ministers ...	...	2,610.00	
4. British Resident ...	...	5,091.87	
5. Assistant Resident ...	...	1,968.10	
6. Agriculture ...	...	17,695.71	
7. Audit ...	...	1,097.80	
8. Courts ...	...	1,142.08	
9. Customs and Marine ...	...	19,313.74	
10. Education ...	...	12,511.99	
11. Electrical ...	...	6,485.54	
12. Forests ...	...	5,982.72	
13. Land and District Offices ...	...	6,741.80	
14. Medical and Health ...	...	20,144.16	
15. Miscellaneous Services ...	...	85,535.07	
16. Municipal ...	...	12,077.91	
17. Police and Prisons ...	...	23,449.72	
18. Posts and Telegraphs..	...	11,709.59	
19. Religious Affairs ...	...	713.00	
20. Treasury ...	...	1,466.00	
21. Public Works Department ...	...	113,175.56	
Total, EXPENDITURE ...	...		£416,949.72

B. - Other Payments

Advances ...	...	177,111.74	
Suspense ...	...	366,421.41	
Deposit ...	...	11,914.65	
Cash in Transit ...	...	52,515.36	
Crown Agents Current ...	...	14,611.58	
Joint Colonial Fund ...	...	42,857.15	
Opium Revenue Replacement Reserve Fund		6,561.50	
Total PAYMENTS ...	...		£ 671,993.39
Balance 31st December 1946 ...	...		£1,088,943.11
Total Payments with Closing Balance..			921,124.19
			£2,010,067.30

COPY

31

D.

Second Half of 1946.

<u>REVENUE</u>	<u>Actual</u>	<u>Estimated</u>	<u>Difference</u>
Oil Royalties ...	\$143,333	\$138,410	\$4,923
Sources other than Oil ...	630,812	668,520	37,708
	<u>\$774,145</u>	<u>\$806,930</u>	<u>\$32,785</u>
<u>EXPENDITURE</u>			
PERSONAL Emoluments	\$151,004	\$181,835	\$30,831
Other Charges	212,253	275,851	63,598
Special Expenditure	248,175	309,225	61,050
P.W.Extraordinary	68,164	124,477	56,313
TOTAL,	<u>\$679,596</u>	<u>\$891,388</u>	<u>\$211,792</u>

REVENUE	\$774,145
EXPENDITURE	<u>679,596</u>
SURPLUS	<u>\$94,549</u>

32 11

GOVERNOR-GENERAL

GOVERNOR-GENERAL'S RESIDENCE,

S E C R E T

SINGAPORE.

NO. 1.

30. January, 1947.

59701/47

Sir,

I have the honour to refer to ^{? my} your telegram (5) No. 197 dated the 11th October, 1946, on the subject of the Brunei Estimates and to my telegram No. 260 dated (8) the 22nd October in reply. I now enclose six copies of the 1946 Estimates (for the period 1st July - 31st December, only), together with six copies of a memorandum by the Treasurer, Brunei. *Sparks R216*

2. The British Resident adds the following comments:-

Personal Expenditure *Other charges* *Annually* *Revenue*
"(a) The approved pre-war policy in Brunei was that P.E. and O.C.A.R. should not exceed the revenues arising from sources other than oil and that oil royalties should be used only for Departmental Special Expenditure, Public Works Extraordinary and payments to Reserve Funds; the argument being that oil should be regarded as a wasting asset. Before the war non-oil revenues and oil revenues represented about 50% each of the total revenues of the State. As far as can be seen in 1947 oil revenues will constitute at least 66% of the State revenues and probably considerably more if the clause in the Oil Agreement permitting Government to take Royalty in kind is invoked. In view of this I consider that some revision will be required in the pre-war policy since in order that Brunei should benefit from the increased revenues it is essential that Government Departments should be expanded to some extent. The greatest difficulty in this respect at present is the impossibility of obtaining sufficient qualified personnel for the work, e.g., P.W.D., P. & T. Dept., etc. This is reflected in the fact that P.E. and O.C.A.R. for this year are less than the estimated revenues from sources other than oil. This position may however be reversed in 1947 if various increases at present under consideration are brought into force.

(b) Customs Duties. ...

The Right Honourable

A. Creech-Jones, P.C., M.P.,

COLONIAL OFFICE.

(b) Customs Duties. In spite of the fact that normal trade has not yet been resumed these will be considerably higher than for the same period in 1941. This is due principally to the very large increase in the imports of the Oil Company but also in part to the present Brunei Tariffs being the same as those for the Colony of North Borneo which are considerably in excess of the pre-war Brunei Tariffs. This has been the subject of some criticism and adverse comment among the commercial community here. They feel it as an especially heavy burden at this time when it is so important for them to get the wheels of commerce turning again. It should be pointed out in this connection that both periods are somewhat unusual in that the earlier period was just prior to the outbreak of the Far Eastern War and the period under review covers post-war rehabilitation projects".

X
With regard to (a), I consider the pre-war policy was at the time sound and that there should not at present be any considerable departure from that policy. If the revenue from oil cannot all be spent on Special Expenditure and Public Works Extraordinary (whether because of shortage of staff or materials or because of the largeness of the oil revenue), it would be well to place the surplus in the General Reserve Fund. The revenue other than from oil is certain to go up as the oil industry in Brunei expands (e.g. Import Duties and Postal business, vide Treasurer's memorandum) and to remain up as long as the oil industry in Brunei is prosperous. There will thus be a margin for the expansion of Government Departments which the Resident visualizes. If these conditions are not realised, then the policy can be reconsidered.

With regard to (b), I propose to discuss the question of uniformity of Customs tariffs in the three Borneo territories at the next Governors' Conference, which is to be held at Jesselton on the 31st January.

3. As requested in your telegram No. 273, a quarterly return will be submitted in order that you may be kept informed of the general financial trend of the State.

I have the honour to be,
Sir,
Your most obedient, humble servant,

Malcolm MacDonald

GOVERNOR-GENERAL.

Sec (14)

34

S T A T E O F B R U N E I
REVISED ESTIMATES OF REVENUE AND EXPENDITURE
1 JULY TO 31 DECEMBER 1946.

MEMORANDUM.

A deficit of \$84,458 is shown in the Revised Estimate. This is about \$49,000 less than the original estimate for the same period and is chiefly due to the elimination of an item. 'Refund of deposits deposited prior to the Japanese invasion' under Miscellaneous Services amounting to \$45,000. This amount is now accounted for in the 'below the line' in accordance with instructions contained in correspondence Ref. (7) in G.G.129/1946.

2. The above mentioned deficit is assessed after taking into account Oil Royalties amounting to \$138,410. The approved policy for this State is that Oil Royalties should be applied to departmental Special Expenditure, Public Works Extraordinary and payments to Reserve Funds (there is no payment to Reserve Funds in 1946). The expenditure under these heads amounts to \$433,702 and the Royalties would not go far to meet it. A statement (A) is attached hereto to make this paragraph clearer.

3. Customs duties is the largest single item of Revenue i.e. \$346,300 and is a conservative estimate. The only local produce of any account now is rubber, the other pre-war export trade is at a standstill. The lack of shipping space is the main factor and the well-known effects of the war are subsidiary causes. The chief source of Import duty is the B.M.P.Co. and it may account for some \$200,000.

The Opium Revenue has ceased (This amounted to some \$75,000 in 1941).

4. Posts and Telegraphs Revenue amounts to \$66,000 about equally divided between sale of stamps and telegrams.

Brunei stamps are notoriously popular with collectors. The B.M.P.Co. is the cause of the increase in the despatch of telegrams and cables.

5. 'Interest' is up to \$180,720, this is the result of accumulated compound interest accrued during the War years.

6. General. The State's financial position is sound and the deficit is relatively small. The surplus of assets over liabilities is not less than \$900,000 (exact figures are not yet available). The prospects for 1946 are satisfactory although it is unlikely that the programme for the work of rehabilitation can be completed owing to the non-arrival of essential materials. Prospects for next year are good, mainly due to the step-up in oil production which is expected to reach a target of 6000 tons a day by the end of 1946.

D. Tumble.

Tumble.

18/11/46

(A)

35

Revenue

Revenue

\$

\$

\$

668,520

668,520

Sources other than Oil

Royalty on oil

138,410

Total

806,930

80,693
13,449

94,142

EXPENDITURE

Personal Emoluments

181,835

O.C.A.R.

275,851

Total charges against revenue other than oil

457,686

457,686

Surplus of non-oil revenue over

Annual Recurrent Expenditure

210,834

Special Expenditure

309,225

Public Works Extraordinary

124,477

Deficit

84,458

84,458

Grand Total

8891,388

8891,388

89,139

14,856

103,995

ML

2. *Ameller*
Tramm
18/11/26

STATE OF BRUNEI

ESTIMATES

of

REVENUE AND EXPENDITURE

For The Period From 1st July to 31st December

1946

REVENUE	} Oil Royalty	\$138,410	...	...	...	...	...	\$806,930
	} Other Revenue	\$668,520	...	...	...	...	...
EXPENDITURE, RECURRENT			...	...	...	...	...	\$457,686
SURPLUS			...	...	...	...	...	\$349,244
EXPENDITURE, SPECIAL AND EXTRAORDINARY			...	...	...	...	...	\$433,702
DEFICIT			...	...	...	...	...	\$ 84,458

STATEMENT SHOWING THE ESTIMATED ASSETS AND LIABILITIES AS AT 5.7.1946

<u>Liabilities</u>	<u>£</u>	<u>Assets</u>	<u>£</u>
Deposits	108,075	Cash in hand	-
Opium Revenue Replace- ment Fund	249,255	Cash in Bank	273,080
General Reserve Fund ..	1,650,627	Crown Agents	6,175
General Revenue	916,780	Joint Colonial Fund	94,286
Balance, Surplus		Loans	16,000

Investments:-

Surplus Fund

Sterling Securities ..	386,314
(face value)	
Dollar Securities	250,000
(face value)	

General Reserve Fund

Sterling Securities ..	899,177
(face value)	
Dollar Securities	750,450
(face value)	

Opium Revenue Replacement
Reserve Fund

Sterling Securities ..	249,255
(face value)	

2,924,737
=====

60
2,924,737
=====

108,1075
2,816,662

- £ 281,666
46,944
£ 328,610

REVENUE

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Abstract of Estimated Revenue from July - December 1946

Head of Revenue	Estimates July - December 1946
CLASS I	\$
Duties, Taxes and Licences	
Customs	346,300
Licences and Excise	19,120
Municipal	3,460
CLASS II	
Fees of Court and Office, etc.	
Courts	1,300
Surveys	300
General	4,120
CLASS III	
Government Undertakings	
Posts and Telegraphs	66,000
Electrical	3,600
CLASS IV	
Revenue from Government Property	
Land Revenue and Oil Royalties	162,810
Cession Monies	19,000
Interest	180,720
CLASS V	
Land Sales	
Premia and Land Sales	200
Total, REVENUE	806,930

ESTIMATES OF REVENUE

29

Revenue Detailed

Estimated
July - December
1946

CLASS 1

\$

\$

Duties, Taxes and Licences
Customs

1. Export duties, Brunei	50,000	
2. Do. Belait	300	
3. Do. Tutong	3,700	
4. Do. Temburong	6,000	
Total		60,000

5. Import duties, Brunei	35,000	
6. Do. Belait	246,000	
7. Do. Tutong	5,000	
8. Do. Temburong	300	
Total		286,300

Total, CUSTOMS 346,300

Licences and Excise

9. Arms	600	
10. Aliens	1,500	
11. Certificate of Identity	1,000	
12. Boats	1,000	
13. Dogs	150	
14. Excise duty	3,500	
15. Fishing	250	
16. Wharf dues	1,000	
17. Port and Light dues	70	
18. Money Lenders	-	
19. Itinerant Hawker licence	500	
20. Motor vehicles and drivers licence	6,000	
21. Rubber dealers Enactment	800	
22. Shops, Pawn Licence	1,350	
23. Shops, Spirit	900	
24. Stamps duties	500	
25. Warehouse rent	-	
Total, LICENCES AND EXCISE		19,120

Municipal

26. House Assessment	400	
27. Market	500	
28. Rest house fees	200	
29. Slaughter licence	800	
30. Street stalls and coffee shops	300	
31. Water supplies	600	
32. Conservancy fees	600	
33. Sanitary Board licences	60	
Total, MUNICIPAL		3,460

Total, CLASS 1 368,880

ESTIMATES OF REVENUE

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Revenue Detailed

Estimated
July - December
1946

CLASS II	\$	\$
Fees of Courts and office etc.		
Courts		
34. Fines and fees (Criminal)	1,000	
35. Fees etc. (Civil)	300	
Total, COURTS		1,300
Surveys		
36. Demarcation fees	200	
37. Sale of boundary stones	100	
Total, SURVEYS		300
General		
38. Reimbursement for specific purposes	20	
39. Sale of arms and ammunition	100	
40. Miscellaneous	300	
41. Fitting water supplies	-	
42. Freight and passenger fares	2,200	
43. Sale of medicines and hospital charges	1,500	
44. Weights and measures verification	-	
Total, GENERAL		4,120
Total, CLASS II		5,720
CLASS III		
Government Undertakings		
Posts & Telegraphs		
45. Sale of stamps	30,000	
46. Telegrams	35,000	
47. Miscellaneous	1,000	
48. Reimbursement from Savings bank	-	
Total, POSTS & TELEGRAPHS		66,000
Electrical		
49. Sale of electricity	3,600	
50. Wiring private services	-	
51. Rent of electric appliance	-	
Total, ELECTRICAL		3,600
Total, CLASS III		69,600

ESTIMATES OF REVENUE

46

Revenue Detailed

Estimated
July - December
1946

CLASS IV

£

£

Revenue from Government Property

Land Revenue

52. Land rents	13,000	
(a) 53. Mining rents and oil royalty	138,410	
54. Register of transfers	100	
55. Sand and gravel licence	300	
56. Rent on Government buildings	-	
57. Forests	11,000	
Total, LAND REVENUE		162,810

Cession Monies

58. Cession money paid by Sarawak Government	2,284	
59. Cession money paid by B.N.B.	16,716	
Total, CESSION MONIES		19,000

Interest

60. Interest on loans	-	
(b) 61. Interest on Bank balances and investments	180,720	
Total, INTEREST		180,720

Currency profits

62. Currency profits	-	
Total, CLASS IV		362,530

CLASS V

Land Sales

63. Premia on alienation of land	200	
Total, LAND SALES		200
Total, CLASS V		200
TOTAL REVENUE FROM ALL SOURCES		806,930

(a) including arrears
(b) Do.

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EXPENDITURE - BRUNEI

ABSTRACT OF THE ESTIMATED EXPENDITURE FROM JULY - DECEMBER 1946

Heads of Expenditure	Personal Emoluments	Other Charges Annually Recurrent	Other Charges Special Expenditure	TOTAL
	\$	\$	\$	\$
1. Pensions, Retired Allowances, Gratuities, etc.		45,632	39,000	84,632
2. H.H. The Sultan	15,372	4,000	5,500	24,872
3. Ministers	5,200			5,200
4. British Resident	10,368	1,500	4,600	16,468
5. Assistant Resident	5,238	440	450	6,128
6. Agriculture	8,685	11,775	12,200	32,660
7. Audit	2,289	300	700	3,289
8. Courts	2,760		400	3,160
9. Customs and Marine-Customs	11,923	1,400	1,900	15,223
Customs and Marine-Marine	4,068	8,800		12,868
10. Education	15,044	11,450	3,475	29,969
11. Electrical	1,800	10,200		12,000
12. Forests	6,572	2,494	650	9,716
13. Land and District Offices	10,228	7,900	8,900	27,028
14. Medical and Health	19,606	35,050	1,500	56,156
15. Miscellaneous Services	9,600	14,000	216,400	240,000
16. Municipal	2,370	21,400	5,500	29,270
17. Police and Prisons	23,565	19,590	1,000	44,155
18. Posts and Telegraphs	12,912	7,930	6,750	27,592
19. Religious Affairs	1,538	100		1,638
20. Treasury	3,180		300	3,480
21. Public Works Department	9,517	1,640		11,157
22. Public Works, Annually Recurrent		70,250		70,250
23. Public Works, Extraordinary			124,477	124,477
Total	181,835	275,851	433,702	891,388

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ESTIMATES - BRUNEI 1946.
July - December

Expenditure Detailed	Estimated Expenditure July - December 1946	
I. PENSIONS, RETIRED ALLOWANCES, GRATUITIES, ETC.	\$	\$
1. Pensions and Superannuation Allowances	15,000	
2. Political Pensions	5,632	
3. Gratuities and Grants	25,000	
Total, PENSIONS ETC.	_____	45,632
Special Expenditure		
4. Arrears of Pensions	39,000	
Total, SPECIAL EXPENDITURE	_____	39,000
Total PENSIONS, RETIRE ALLOWANCES		84,632
2. H.H. THE SULTAN		
(A). - PERSONAL EMOLUMENTS.		
5. His Highness the Sultan	12,000	
6. The Tengku Ampuan	1,350	
7. Private Secretary	1,200	
8. Aide-de-Camp	360	
9. Steward	180	
10. Clerk	150	
11. Peons, two	132	
Total, PERSONAL EMOLUMENTS	_____	15,372
(B). - OTHER CHARGES		
I.- Annually Recurrent		
12. Transport	300	
13. Uniforms	100	
14. Charities and Festivals	800	
15. Maintenance of Istana	250	
16. Maintenance of Grounds	250	
17. Maintenance of Motor Cars	500	
18. Servants Allowance	900	
19. Electric Power and Lighting	700	
20. H.H. The Sultan's Birthday Celebration	200	
Total, ANNUALLY RECURRENT	_____	4,000
II.- SPECIAL EXPENDITURE		
21. Purchase of Motor Car	3,500	
22. Improvement to Istana	1,000	
23. Purchase of Furniture	1,000	
Total, SPECIAL EXPENDITURE	_____	5,500
Total, H.H. THE SULTAN		24,872

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
3. MINISTERS.			
(A).- PERSONAL EMOLUMENTS			
24. Pengiran Bendahara		-	
25. Pengiran Pemancha		3,000	
26. Allowance to Ex-Regents		600	
27. Personal Allowance to present Holders of Office		1,500	
28. Secretary to Minister		100	
	Total, PERSONAL EMOLUMENTS		5,200
4. BRITISH RESIDENT			
(A).- PERSONAL EMOLUMENTS			
1. British Resident		4,800	
2. Do. Entertainment Allowance		450	
3. Secretary to Resident, Special grade, Adm. Br.		1,700	
4. Clerks, Grade IIB, two (\$780-60A-1200)		1,490	
5. Clerks, Grade IIA, one (\$660-60A-1020)		550	
6. Probationary Clerks, two Grade IIIB (\$360-60A-720)		540	
7. Peon, two (1 @ \$18, 1 @ \$17)		388	
8. Gardeners, three		450	
	Total, PERSONAL EMOLUMENTS		10,368
(B).- OTHER CHARGES			
I.- Annually Recurrent			
9. Contingencies		100	
10. Maintenance of Residency Car		600	
11. Maintenance of Residency, House and Grounds		500	
12. Lighting Power and Fuel		300	
13. Conveyance Allowance		-	
	Total, ANNUALLY RECURRENT		1,500
II. Special Expenditure			
14. Purchase of furniture, for Residency		3,000	
15. Do. Office equipment		1,000	
16. Purchase of typewriters, two		600	
	Total, SPECIAL EXPENDITURE		4,600
	Total, BRITISH RESIDENT		16,468

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed		Estimated Expenditure July - December 1946	
5	ASSISTANT RESIDENT	\$	\$
	(A).- PERSONAL EMOLUMENTS		
1.	Assistant Resident	3,300	
2.	Do. Entertainment Allowance	300	
3.	Clerk, Grade IB (\$1320-120A-2040)	740	
4.	Clerk, Grade IIIB (\$360-60A-720)	330	
5.	Clerk, temporary	280	
6.	Peon	144	
7.	Gardener	144	
	Total, PERSONAL EMOLUMENTS		5,238
	(B).- OTHER CHARGES		
	I.-ANNUALLY RECURRENT		
8.	Travelling and Transport	200	
9.	Miscellaneous	240	
10.	Conveyance Allowance	-	
	Total, ANNUALLY RECURRENT		440
	II.- SPECIAL EXPENDITURE		
11.	Purchase of typewriter	300	
12.	Purchase of Office Furniture	150	
	Total, SPECIAL EXPENDITURE		450
	Total, ASSISTANT RESIDENT		6,128

ESTIMATES - BRUNEI 1946
July - December

46

Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
6	AGRICULTURE		
	(A).- PERSONAL EMOLUMENTS		
	1. Agricultural Officer	3,600	
	2. Malay Agricultural Assistant, Grade II, one (\$960-10A-1680)	720	
	3. Malay Agricultural Subordinate, Grade I, five (\$1,080-60A-1,200)	600	
	4. Malay Agricultural Subordinates, Grade II, two (\$600-60A-960)	2,220	
	5. Malay Agricultural Subordinates, Grade III, (((\$360-36A-540)	547	
	6. Malay Agricultural Probationer, (\$216-24A-360)	176	
	7. Clerk, Grade IIB, (\$780-60A-1200)	450	
	8. Clerk Grade IIIA, (\$300-36A-480-60A-600)	246	
	9. Peon	126	
	Total, PERSONAL EMOLUMENTS		8,685
	(B).- OTHER CHARGES		
	I.-Annually Recurrent		
	10. Maintenance of Agricultural and Padi Test Stations	7,000	
	11. Pests and Disease Treatment	1,000	
	12. Experiment and Demonstration	1,400	
	13. Travelling and Transport	1,000	
	14. Uniforms	500	
	15. Miscellaneous	75	
	16. Purchase of Maps, Books, Periodicals, etc.	200	
	17. Conveyance Allowance	-	
	18. Purchase of Implements and Utensils	600	
	Total, ANNUALLY RECURRENT		11,775
	II.- SPECIAL EXPENDITURE		
	1. Land Settlement Schemes	9,000	
	2. Purchase of Two motor cycles	2,500	
	3. Purchase of four Perahus (Boats)	300	
	4. Purchase of one typewriter	400	
	Total, SPECIAL EXPENDITURE		12,200
	Total, AGRICULTURE		32,660

ESTIMATES - BRUNEI 1946
July - December

47

Expenditure Detailed		Estimated Expenditure July - December 1946	
7	AUDIT	\$	\$
	(A).- PERSONAL EMOLUMENTS		
1.	Officer-in-charge Audit, Brunei	1,260	
2.	Do. Personal Allowance	105	
3.	Clerk Grade IIB (\$780-60A-1200)	480	
4.	Clerk Grade IIIB (\$360-60A-720)	330	
5.	Peon	114	
	Total, PERSONAL EMOLUMENTS		2,289
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
6.	Transport and Travelling	200	
7.	Miscellaneous	100	
	Total, ANNUALLY RECURRENT		300
	II.- SPECIAL EXPENDITURE		
8.	Purchase of typewriter	500	
9.	Purchase of Office furniture	200	
	Total, SPECIAL EXPENDITURE		700
	Total, AUDIT		3,289 =====
8	COURTS		
	(A).- PERSONAL EMOLUMENTS		
	<u>BRUNEI</u>		
1.	Magistrate Second Class Grade II Adm. Branch (\$1,320-120A-\$2,040)	1,260	
2.	Clerk Grade IIB (\$870-60A-\$1,200)	510	
3.	Process Server (\$144-12A-\$300)	150	
	<u>BELAIT</u>		
4.	Clerk Grade IIB (\$780-60A-\$1,200)	720	
5.	Process Server (\$144-12A-\$300)	120	
	Total, PERSONAL EMOLUMENTS		2,760
	(B).- OTHER CHARGES		
	II.- SPECIAL EXPENDITURE		
6.	Purchase of typewriter	400	
	Total, SPECIAL EXPENDITURE		400
	Total, COURTS		3,160 =====

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
<u>CUSTOMS AND MARINE</u>			
9.	<u>CUSTOMS</u>		
	(A).- PERSONAL EMOLUMENTS		
1.	Controller of Customs (\$6,900-300A-9,800)	2,635	
2.	Superintendent, Grade I B.A.S. (\$2280-120A-3120)	1,110	
3.	Supervisor Grade IA (\$1080-90A-1620)	420	
4.	Supervisor Grade IB (\$1320-120A-2040)	660	
5.	Clerks Grade IIA, three (\$660-60A-1020)	1,080	
6.	Clerk Grade IIB (\$780-60A-720)	497	
7.	Clerks, Grade IIIB, three (\$360-60A-720)	264	
8.	Clerks Grade IIIA (\$300-36A-480-60A-600)	130	
9.	Outdoor Officers Grade I, two (\$540-60A-720)	720	
	Do. Grade II, fourteen (\$360-36A-504)	3,348	
	Do. Grade III, ten (\$216-24A-336)	984	
10.	Peon (\$144-12A-300)	75	
Total, PERSONAL EMOLUMENTS		11,923	
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
11.	Contingencies	150	
12.	Transport	350	
13.	Conveyance Allowance	-	
14.	Uniforms	600	
15.	Lighting	300	
Total, ANNUALLY RECURRENT		1,400	
	II.- SPECIAL EXPENDITURE		
16.	Purchase of typewriters	600	
17.	Purchase of boats	300	
18.	Purchase of weighing machines	1,000	
Total, SPECIAL EXPENDITURE		1,900	
Total, CUSTOMS		15,223	

Customs Establishment includes all officers previously employed on "Monopolies"

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed

Estimated Expenditure
July - December 1946

9 Brought forward \$15,223
CUSTOMS AND MARINE - continued \$ \$
 MARINE

(A).- PERSONAL EMOLUMENTS

1. Serang, Special Grade two (\$780-60-960)	780
2. Do. Grade I, one	270
3. Do. Grade II (\$360-36A-504)	180
4. Do. Grade III one (\$216-24A-336)	132
5. Engineer, Special Grade (\$780-60A-960) one	390
6. Engineers, Grade II, four (\$360-36A-504)	1,008
7. Do. Grade III, one (\$216-24A-336)	108
8. Sailor Grade III ten (\$144-12-300)	1,080
9. Inspector of Fisheries and Beacons (\$218-24-336)	120

Total, PERSONAL EMOLUMENTS 4,068

(B).- OTHER CHARGES
 Anually Recurrent

10. Fuel and Oil	6,000
11. Repairs and Maintenance of Marine Crafts	2,000
12. Maintenance of Beacons and Light Houses	500
13. Bunting	300

Total, ANNUALLY RECURRENT 8,800

Total, CUSTOMS AND MARINE 28,091
=====

ESTIMATES - BRUNEI 1946
July - December

50

Expenditure Detailed		Estimated Expenditure July - December 1946	
10	EDUCATION	\$	\$
	(A).- PERSONAL EMOLUMENTS		
1.	Acting Superintendent of Education, Grade II Adm. Br. (\$1320-120A-2040)	600	
2.	Teacher (\$600-30A-780)	390	
3.	Teacher (Trained) Grade IA, seven (\$600-30A-840)	1,055	
4.	Teacher (Trained) Grade IIA seven (\$360-30A-540)	3,545	
5.	Teacher (Untrained) Grade IB Fifteen (\$360-30A-540)	3,705	
6.	Teacher (Untrained) Grade IIB twenty two (\$264-24A-336)	2,286	
7.	Probationers Teachers twenty two (\$180-12A-240)	2,411	
8.	Women Teacher Grade II (\$252-12A-300)	-	
9.	Probationers Women Teachers four (\$180-12A-240)	390	
10.	Clerk Grade IIIA (\$300-36A-480-60A-600)	240	
11.	Peon (\$144-12A-300)	72	
12.	Special Allowance	240	
13.	Religious Teachers four	110	
Total, PERSONAL EMOLUMENTS			15,044
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
14.	Maintenance of Student at Tanjong Malim	5,000	
15.	School Books and Writing Materials	3,000	
16.	Grant Aid to Schools	1,100	
17.	Transport	500	
18.	School Gardens	600	
19.	School Handicraft	600	
20.	Miscellaneous	100	
21.	Grant to the Boy Scout Association	-	
22.	Sport and Sport Requisites	500	
23.	Electric Power and Lighting	50	
Total, ANNUALLY RECURRENT			11,450
	II.- SPECIAL EXPENDITURE		
1.	Furniture	3,000	
2.	Purchase of Boat at K. Balai for Group Teacher Belait	75	
3.	Standard V Scholarship	400	
Total, SPECIAL EXPENDITURE			3,475
Total, EDUCATION			29,969
			=====

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed		Estimated Expenditure July - December 1946	
11	ELECTRICAL	\$	\$
	(A).- PERSONAL EMOLUMENTS		
	1. Electrical Foreman (\$2,520-120A-3,000)	1,500	
	2. Allowance to Officer-in-charge	300	
	Total, PERSONAL EMOLUMENTS	—————	1,800
	(B).- OTHER CHARGES		
	1. Annually Recurrent		
	3. Maintenance of Electricity (Brunei \$7,000 Belait \$3,000)	10,000	
	4. Wiring Private Services	200	
	Total, Annually Recurrent	—————	10,200
	Total, ELECTRICAL		12,000 =====

ESTIMATES - BRUNEI 1946
July - December

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Expenditure Detailed		Estimated Expenditure July - December 1946	
		£	£
12	FORESTS		
	(A).- PERSONAL EMOLUMENTS		
	1. State Forest Officer	3,246	
	2. Forester	288	
	3. Forest Guards, ten (£240-12A-288-24A £336-Bar-24A-480)	1,818	
	4. Clerk Grade IIA, One (£780-60A-£1,200) Clerk Grade IIB temporary	980	
	5. Allowance to Seconded Subordinates	-	
	6. Forest Labourers, Four	-	
a	7. Peon One	72	
a	8. Boatman and Motorboat Driver, One	168	
	9. Allowance to Brunei Subordinates under Training in F.M.S.	-	
	Total, PERSONAL EMOLUMENTS		6,572
	(B).- OTHER CHARGES		
	1.- Annually Recurrent		
	10. Travelling and Forest Inspections	1,000	
	11. Maintenance of Boat and Sampan	-	
	12. Organisation and Improvement of Forest Reserves	750	
	13. Research	-	
	14. Books, Maps and Publications	100	
	15. Miscellaneous	100	
	16. Conveyance Allowance	-	
	17. Pension Contribution, Seconded Subordinates	44	
b	18. Uniforms	500	
	Total, ANNUALLY RECURRENT		2,494
	II. SPECIAL EXPENDITURE		
	19. Purchase of two Sampans	150	
	20. Purchase of one Typewriter	500	
	Total, SPECIAL EXPENDITURE		650
	Total, FORESTS		9,716
			=====

a = Vacant

b = INcluded in Miscellaneous Services.

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed

Estimated Expenditure
July - December 1946

13 LAND AND DISTRICT OFFICES
(A).- PERSONAL EMOLUMENTS

\$ \$

BRUNEI AND MUARA

1. Assistant Collector of Land Revenue Grade III Adm. Br. (\$840-60A-1,200)	540
2. Clerks two, Grade IIB one (\$780-60A-1,200) Grade IIIA, one (\$300-36A-480-60A-600)	882
(a) 3. Temporary Clerk	180
4. Demarcator Grade II (\$384-36A-600)	360
5. Demarcator Grade III (\$240-24A-360)	324
6. Demarcator, Probationer	75
7. Tracer, Probationer	75
8. Draftsman	120
9. Land Bailiff Grade II (\$384-36A-600)	304
10. Peon	60
11. Penghulus and Ketuas (one at \$240, one at \$120 and three at \$60 each)	225

BELAIT

12. District Officer, Grade II Adm.Br. (\$1,320-120A-2,040)	720
13. Clerks two, Grade IIB (\$780-60A-1,200), Grade IIIA one (\$300-36A-480-60A-600)	750
14. Demarcator, Grade II (\$384-36A-600)	264
15. Demarcator, Grade III (\$240-24A-360)	180
16. Land Bailiff Grade II (\$384-36A-600)	282
17. Dato Penghulu	150
18. Penghulus and Ketuas, four (two at \$180 and two at \$60 each)	240

TUTONG

19. District Officer Grade IA (\$90-7.50A-135 p.m.)	900
20. Clerk Grade IA (\$90-7.50A-135 p.m.)	585
(b) 21. Clerk Grade IIIA, two (\$300-36A-480-60A-600)	408
(c) 22. Clerk Grade IIIB (\$360-60A-720)	480
23. Demarcator, Grade I (\$660-60A-900)	450
24. Demarcator, Grade III (\$240-24A-360)	156
25. Demarcator, Probationer (\$180-12A-216)	90
26. Peon	120
27. Penghulus and Ketuas, three at \$120	180

TEMBURONG

28. District Officer Grade IA (\$90-7.50A-135 p.m.)	540
29. Clerk IIA (\$660-60A-1,200)	300
30. Peon	114
31. Gardener	144
32. Ketua	30

Total, PERSONAL EMOLUMENTS

10,228

- (a) New appointment during Military Administration
(b) Paid from Rubber Fund in pre-war. One for Land Clerk and one for District Clerk
(c) New appointment for District Clerk during Military Administration

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ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed		Estimated Expenditure July - December 1946	
13.	LAND AND DISTRICT OFFICES -continued	\$	\$
	(B).- OTHER CHARGES		
	Brought Forward		10,228
	I. Annually Recurrent		
1.	Wages of Chainmen and Coolies Brunei \$3,000 Belait 1,000	4,000	
2.	Drawing Instruments	500	
3.	Boundary Stones	500	
4.	Compensation for Damage to Cultivation	1,000	
5.	Transport and Travelling (Brunei \$300, Belait \$500, Temburong \$200 and Tutong \$200)	1,200	
6.	Conveyance Allowance	-	
7.	Conservancy and Lighting (Muara \$200 and Temburong \$150)	350	
8.	Miscellaneous, Brunei \$150, Belait \$100 Tutong \$50, Temburong \$50	350	
	Total, ANNUALLY RECURRENT		7,900
	II.- SPECIAL EXPENDITURE		
9.	Acquisition of land for public purposes	2,600	
10.	Purchase of Typewriter, Brunei	500	
11.	Purchase of Sampans, Brunei and Tutong Belait, Temburong (\$100 each)	400	
12.	Purchase of Surveying Instruments	5,000	
13.	Purchase of Office Furniture and Equipment, Brunei	400	
	Total, SPECIAL EXPENDITURE		8,900
	Total, LAND AND DISTRICT OFFICES		27,028 =====

ESTIMATES - BRUNEI 1946
July - December

55

Expenditure Detailed		Estimated Expenditure July - December 1946	
14	MEDICAL AND HEALTH	\$	\$
(A).- PERSONAL EMOLUMENTS			
1.	Medical Officer	4050	
2.	Assistant Dental Officer	-	
3.	Dresser, Special Grade (Path.Assistant Grade II)	585	
4.	Dresser, Grade I, two	1715	
5.	Dressers, Grade II four	2037	
6.	Dressers, Grade III, seven	1834	
7.	Dressers, Probationer (three	475	
8.	Mosquito Collector	300	
9.	Nursing Sister	520	
10.	Health) Nurses, two	2040	
11.	Staff)		
11.	Nurse Grade I	300	
12.	Nurse Grade II, two	430	
13.	Nurse Probationers, two	100	
14.	Midwives, five	1334	
15.	Pupil Midwife, one	150	
16.	Clerk Grade IIB, one	600	
17.	Clerk Grade IIIA, one	185	
18.	Cooks four	558	
19.	Attendants Male, nine	1778	
20.	Attendants Female, four	384	
21.	Gardeners, two	46	
22.	Allowance Assistant Registrar of Births and Deaths	15	
23.	Commuted Allowance Junior Nurse	170	
Total, PERSONAL EMOLUMENTS			19,606
(B).- OTHER CHARGES			
I.- Annually Recurrent			
24.	Linen, Clothing and Uniforms	500	
25.	Laundry	500	
26.	Hospital Diets	7000	
27.	Contingencies	200	
28.	Medicines and Instruments	11000	
29.	Transport including Travelling dispensary	800	
30.	Medical Service, Kuala Belait	5000	
31.	Health Work (Brunei \$5600, Belait \$3000)	8600	
32.	Infant Welfare and Maternity Welfare Clinic	200	
33.	Expenses of Dental Clinic	500	
34.	Hospital Conservancy	250	
35.	Electricity. Power and Lighting	500	
Total, ANNUALLY RECURRENT			35,050
II.- SPECIAL EXPENDITURE			
36.	Hospital Equipment	1000	
37.	Equipment for new Kuala Belait Infant Welfare Clinic	500	
Total, SPECIAL EXPENDITURE			1,500
Total, MEDICAL AND HEALTH			56,156
			=====

ESTIMATES - BRUNEI 1946
July - December

56

Expenditure Detailed		Estimated Expenditure July - December 1946	
15	MISCELLANEOUS SERVICES	£	£
	(A).- PERSONAL EMOLUMENTS		
1.	Contribution to Malayan Establishment Office	8,100	
2.	Children's Allowance	1,500	
	Total, PERSONAL EMOLUMENTS		9,600
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
3.	Share of Malayan Forestry Expenditure and Contribution to Imperial Forestry Institute	517	
4.	Charity	150	
5.	Share of Cost of Supervision of Pilgrims	50	
6.	Share of Malayan and Headquarters Expenditure of Labour Department	85	
7.	Miscellaneous	1,500	
8.	Share of Cost of High Commissioner's Office	1,161	??
9.	Contribution to Civil Aviation including Wireless Services	75	
10.	Visits of Experts and Advisers	1,000	
11.	Contribution to Clubs	-	
12.	Stationery and Printing	3,000	
13.	Telegrams	584	
14.	Contribution to Malayan Establishment Office	2,703	
15.	Grants for upkeep of non-Government Buildings	500	
16.	Travelling and Transport	2,000	
17.	Uniforms	300	
18.	Encouragement of Native Arts and Crafts	100	
19.	Contribution to the Funds of the Imperial College of Agriculture	275	
20.	Contribution to London School of Hygiene and Tropical Medicine	-	
21.	Share of Textile Quotas Administration	-	
22.	Contribution to the prosecution of the war	-	
	Total, ANNUALLY RECURRENT		14,000
	II.- SPECIAL EXPENDITURE		
23.	Purchase of Bicycles	15,000	
24.	Purchase of Safes	10,000	
25.	Cost of Living Allowance	60,000	
26.	Rehabilitation Grant	74,000	
27.	Arrears of Pay etc.	50,400	
28.	Refugees and displaced Persons	1,000	
29.	Claims for Services rendered and goods supplied prior to Jap occupation	5,000	
30.	B.M.A. Personnel Expenses	1,000	
	Total, SPECIAL EXPENDITURE		216,400
	Total, MISCELLANEOUS SERVICES		240,000 =====

ESTIMATES - BRUNEI 1946
July - December

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Expenditure Detailed		Estimated Expenditure July - December 1946	
16	MUNICIPAL	\$	\$
(A).- PERSONAL EMOLUMENTS			
<u>BRUNEI</u>			
1.	Sanitary Inspector, Grade I (\$1,320-120A-2,040)	540	
2.	Market Inspector	300	
3.	Clerk, Grade IIB (\$780-60A-1,200)	360	
4.	Allowance to Fire Brigade	150	
<u>BELAIT</u>			
5.	Sanitary Inspector (\$1,320-120A-2,040)	660	
6.	Clerk, Grade IIIB (\$360-60A-720)	210	
7.	Allowance to Fire Brigade	150	
Total, PERSONAL EMOLUMENTS			2,370
(B).- OTHER CHARGES			
I.- Annually Recurrent			
8.	Conservancy and Scavenging (Brunei \$6,000, Belait \$4,000, Tutong \$2000)	12,000	
9.	Water Supply, Belait and Tutong	1,000	
10.	Maintenance of Rest Houses (Brunei \$600 Belait \$400)	1,000	
11.	Miscellaneous	100	
12.	Lighting (Brunei \$500, Belait \$500)	1,000	
13.	Maintenance of State Land, Brunei	300	
14.	Maintenance of Government Grounds, Belait	4,000	
15.	Maintenance of Drains, Brunei	2,000	
Total, ANNUALLY RECURRENT			21,400
II.- SPECIAL EXPENDITURE			
16.	Filling of Bomb Craters	5,000	
17.	Purchase of Typewriter	500	
Total, SPECIAL EXPENDITURE			5,500
Total, MUNICIPAL			29,270 =====

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	Expenditure Detailed	Estimated Expenditure July - December 1946	
17	POLICE AND PRISONS		
	(A).- PERSONAL EMOLUMENTS	\$	\$
1.	Chief Police Officer	4,500	
2.	Probationary Inspectors, two (\$780-60A-840)	780	
3.	Sergeant-Majors, two (\$840-60A-1,020)	930	
4.	Sergeants, four (\$600-60B-660)	1,530	
5.	Corporals, five (\$456-60B-516)	1,170	
6.	Lance-Corporals, eight (\$396)	1,584	
7.	Constables (\$216-240-264/bar/300-12A-348) eighty-one	 11,490	
8.	Clerk Grade IIIB (\$360-60-720)	360	
9.	Clerk Grade IA (\$1,080-90A-1,620)	765	
10.	Engineer Grade I (\$540-60-720)	270	
11.	Orderly Allowance	126	
12.	Allowance to Gaolers	60	
	Total, PERSONAL EMOLUMENTS		23,565
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
13.	Clothing and Accoutrements	4,000	
14.	Ammunition and Repairs of Arms	500	
15.	Upkeep of Rifle Range	200	
16.	Proficiency Allowance	1,440	
17.	Prisoners' Rations	5,000	
18.	Prisoners' Clothing	1,000	
19.	Miscellaneous	1,000	
20.	Lighting	2,000	
21.	Transport	1,000	
22.	Conveyance Allowance	150	
23.	Repatriation of Aliens and Vagrants	300	
24.	Purchase of Arms and Ammunition for sale	2,500	
25.	Transport and Remuneration to Prisoners leaving Prison	 500	
	Total, ANNUALLY RECURRENT		19,590
	SPECIAL		
	II.-/EXPENDITURE		
26.	Purchase of two Typewriters	1,000	
	Total, SPECIAL EXPENDITURE		1,000
	Total, POLICE AND PRISONS		44,155

ESTIMATES - BRUNEI 1946
July - December

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Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
18	POSTS AND TELEGRAPHS		
(A).- PERSONAL EMOLUMENTS			
1.	Superintendent, Posts and Telegraphs, Grade I, Adm.Br. (\$2,280-120A-3,120)	1,560	
2.	Wireless Engineer (\$2,160-120A-3,000)	1,500	
3.	Clerk, Grade IIA (\$660-60A-1,020)	450	
4.	Clerk, Grade IIIB two (\$360-60A-720)	540	
5.	Clerk, Grade IIIA one (\$300-36A-480-60A-600)	180	
6.	Clerk-Operators:-		
	Grade I, four (\$1,200-120A-2,040)	3,120	
	Grade II, three (\$660-60A-1,020)	2,220	
	Grade III, one (\$360-60A-600)	-	
7.	Allowance to Clerk-in-Charge, Kuala Belait	60	
8.	Telephone Operators:-		
	Grade I, one (\$384-24A-480)	204	
	Grade III, two (\$144-12A-300)	360	
9.	Telephone Linesman Grade II, one (\$312-12A-360)	180	
	Telephone Linesman Grade I, three (\$384-24A-480)	456	
10.	Mechanic (\$420-60A-780)	390	
11.	Postmen:-		
	Grade I, three (\$384-24A-480)	720	
	Grade III, three (\$144-12A-300)	318	
12.	Messengers:-		
	Grade II, one (\$312-12A-360)	180	
	Grade III, two (\$144-12A-300)	258	
13.	Gardeners, two	216	
Total, PERSONAL EMOLUMENTS			12,912
(B).- OTHER CHARGES			
I.- Annually Recurrent			
14.	Maintenance of Radio Stations	500	
15.	Improvement and Maintenance of Telephones	530	
16.	Brunei-Belait Mail Service	480	
17.	Air Mail Handling Charges	500	
18.	Mail Bounty	50	
19.	Stationery and Printing	500	
20.	Postal Expenses and Contingencies	150	
21.	Transit Charges	200	
22.	Travelling and Transport	100	
23.	Conveyance Allowance	120	
24.	Cable Charges	4,330	
25.	Uniforms	100	
26.	Electric Power and Lighting	370	
Total, ANNUALLY RECURRENT			7,930
II.- SPECIAL EXPENDITURE			
27.	Purchase of Typewriters	750	
28.	Purchase of Postage and Revenue Stamps	1,500	
29.	Purchase of Stamp Dies	300	
30.	Reinstallation of Telephone Services including New Switchboard	4,200	
Total, SPECIAL EXPENDITURE			6,750
Total, POSTS AND TELEGRAPHS			27,592

60

ESTIMATES - BRUNEI 1946
July - December

Expenditure Detailed

Estimated Expenditure
July - December 1946

19 RELIGIOUS AFFAIRS
(A).- PERSONAL EMOLUMENTS

BRUNEI

1. Chief Kathi (\$600-60A-1,200)
2. Dato Imam
3. Tuan Imam
4. Khatibs, four at \$96 each
5. Mudims, four at \$72 each
6. Imams, four at \$60 each
7. Process Server(\$144-12A-300)
8. Bilal

480
120
60
194
144
120
84
90

BELAIT

9. Imams, three at \$60 each
10. Mudim

90
36

TUTONG

11. Imam

30

TEMBURONG

12. Imams, two at \$60 each

60

MUARA

13. Imam

30

Total, PERSONAL EMOLUMENTS

1,538

(B).- OTHER CHARGES

I.- Annually Recurrent

14. Lighting

100

Total, ANNUALLY RECURRENT

100

Total, RELIGIOUS AFFAIRS

1,638

=====

20 TREASURY

(A).- PERSONAL EMOLUMENTS

- (a) 15. Financial Assistant, Grade I Adm.,
(\$2,280-120A-3120)
16. Clerk Grade IA (\$1,080-90A-1,620)
17. Clerk Grade IIB (\$780-60-1,200)
- (b) 18. Clerk Grade IIB (Do.)
19. Peon

1,410
720
510
480
60

Total, PERSONAL EMOLUMENTS

3,180

SPECIAL EXPENDITURE

20. Purchase of Typewriter

300

Total, SPECIAL EXPENDITURE

300

Total, TREASURY

3,480

=====

- (a) Change of Holder

- (b) Transferred from Medical Department

ESTIMATES - BRUNEI 1946
July - December

61

Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
21	PUBLIC WORKS DEPARTMENT		
	(A).- PERSONAL EMOLUMENTS		
1.	State Engineer	3,600	
2.	Technical Assistant, Special Grade, two (\$2,160-120A-2,520)	2,400	
3.	Technical Assistant, Grade III (\$480-60A-960)	330	
4.	Clerk, Grade IA (\$1,080-90A-1,620)	585	
5.	Clerk, Grade IIA (\$660-60A-1,020)	375	
6.	Clerk, Grade IIIB (\$360-60A-720)	325	
7.	Overseers, one at \$570 and Sub-overseer at \$300	870	
8.	Storekeeper, Grade IB (\$1,320-120A-2,040)	960	
9.	Peon	72	
	Total, PERSONAL EMOLUMENTS		9,517
	(B).- OTHER CHARGES		
	I.- Annually Recurrent		
10.	Contingencies	200	
11.	Drawing Materials, Instruments and tools	500	
12.	Transport and Travelling Allowance	500	
13.	Uniforms for Lorry Drivers and Peon	440	
	Total, ANNUALLY RECURRENT		1,640
	Total, PUBLIC WORKS DEPARTMENT		11,157
			=====
22	PUBLIC WORKS, ANNUALLY RECURRENT		
14.	Upkeep of Roads, Streets and Bridges	35,000	
15.	Upkeep of Drains, Brunei	200	
16.	Upkeep of Waterworks (Brunei \$3,000, Belait \$2,000)	5,000	
17.	Upkeep of Works and Buildings	14,000	
18.	Clearing of Rivers	1,200	
19.	Minor Works	2,000	
20.	Upkeep of Bridle Paths	3,000	
21.	Upkeep of Plant	5,000	
22.	Upkeep of State Land	1,500	
23.	Maintenance of Sea and River Walls	700	
24.	Freight Account	2,100	
25.	Fitting Private Water Services	400	
26.	Electric Power and Lighting Government Office Brunei and Belait	150	
27.	Clearing of Beach, Tutong-Belait		
	Total, PUBLIC WORKS, ANNUALLY RECURRENT		70,250

ESTIMATES - BRUNEI 1946
July - December

62

Expenditure Detailed		Estimated Expenditure July - December 1946	
		\$	\$
23	PUBLIC WORKS, EXTRAORDINARY		
1.	Rehabilitations of Roads	15,000	
2.	Rehabilitations of Town Drains	1,000	
3.	Rehabilitations of Water Works	5,000	
4.	Rehabilitations of Buildings	5,000	
5.	Rehabilitations of Bridle Paths	6,000	
6.	Rehabilitations of State Land	6,000	
7.	Rehabilitations of Hospital	3,000	
8.	Rehabilitations of Police Station	1,580	
9.	Rehabilitations of Bridges and Culverts	3,500	
10.	Rehabilitations of Sea Walls	3,000	
11.	Clearing of Beach, Tutong-Belait	1,000	
12.	Public Latrine Warrant No. 326	791	
13.	Isolation Ward " 310	427	
14.	Furniture " 315	3,513	
15.	Furniture " 293	247	
16.	P.W.D. Store " 288	1,254	
17.	Repairs to Police Station	1,200	
18.	New School, Sinaut	5,061	
19.	Temporary School, Lumapas	555	
20.	Temporary School, Kasat	575	
21.	Temporary School, Keriam	750	
22.	Temporary School, Kuidang	600	
23.	Temporary School, Lumuning	600	
24.	Quarters for Teachers, Seria (Temporary Quarters)	4,500	
25.	Temporary Quarters for Police, Seria	5,274	
26.	Temporary Quarters for Forest and O.D.O., Seria	1,540	
27.	Temporary Quarters for Police Station, Seria	1,800	
28.	Temporary Quarters for Ferry man, Tutong	1,800	
29.	Clerk's Quarters, Bangar	7,000	
30.	Furniture for Senior Officer's Quarters, Belait	2,000	
31.	Temporary Administration Block, Seria	3,500	
32.	H.H. Police Guard Shelter	360	
33.	Government Office, Muara	2,000	
34.	Malay School, Muara	700	
35.	Police Quarters, Brunei	4,000	
36.	Dispensary, Muara	1,600	
	MISCELLANEOUS		
37.	Purchase of Drawing and Surveying Instruments	2,800	
38.	Purchase of Roller	16,000	
39.	Purchase of Typewriter	400	
40.	Purchase of Motor Cycles	1,000	
41.	Purchase of 17 No. Bicycles	2,550	
Total, PUBLIC WORKS, EXTRAORDINARY			124,477 =====

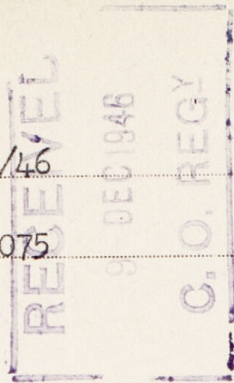
DJ

Tel. No.: Whitehall 1234.



Your Reference 59701/46

Treasury Reference S.55075



10 63
TREASURY CHAMBERS,
GREAT GEORGE STREET,
LONDON, S.W.1.

6th December, 1946.

Dear Mayle,

Thank you for your letter of 6th November enclosing telegrams relating to the Brunei Estimates for the period 6th July - 31st December 1946.

The only query I have is about the extent to which provision has been made for Brunei's liabilities in respect of stores and supplies for rehabilitation purposes. Can you assist please?

Yours sincerely,

W. L. Mayle

N.L. Mayle, Esq.,
Colonial Office.

W. L. Mayle

COPY SENT TO ACCOUNTS DEPARTMENT

Colonial Office,
Downing Street,
S.W.1.

9
64

6 November, 1946.

59701/46

am'd by 10

Dear Serpell,

I think you will wish to have copies of the enclosed exchange of telegrams with the Governor-General, Malaya, on the subject of the Brunei Estimates for the period 6th July - 31st December, 1946.

You will note the likelihood that the special expenditure target will not be reached, owing to shortage of materials, with the result that the estimated deficit of some £15,000 may be reduced. In any event, Brunei Reserve Funds at present held by the Crown Agents amount to approximately £192,000, so that the estimated deficit can be met without difficulty. As you know, Brunei's prospects from oil revenue are bright, and I think we need have no fear as to the State's financial soundness.

As soon as the detailed Estimates are received, I will send you a copy for your information.

Yours sincerely,

(Signed) N. L. MAYLE.

D.R. SERPELL, ESQ., O.B.E.

59701/46.

C. O.

Mr. Galsworthy 29/10

Mr. Palmer 31/10

Mr. Mayle 11/11

Mr.

Mr.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

For Mr. Galsworthy's signature.

DRAFT.

D. R. SERPELL, ESQ., O.B.E.,
TREASURY.

Dear Serpell,

I think you will wish to have copies of the enclosed exchange of telegrams with the Governor-General, Malaya, on the subject of the Brunei Estimates for the period 6th July - 31st December, 1946.

You will note the likelihood that the special expenditure target will not be reached, owing to shortage of materials, with the result that the estimated deficit of some £15,000 may be reduced. In any event, Brunei Reserve Funds at present held by the Crown Agents amount to approximately £192,000, so that the estimated deficit can be met without difficulty. As you know, Brunei's prospects from oil revenue are bright, and I think we need have no fear as to the State's financial soundness.

As soon as the detailed Estimates are received, I will send you a copy for your information.

Yours sincerely,

(Signed) W. L. MAYLE.

FURTHER ACTION.

Copies also sent to

Sub
Miss Wilson

Copies of
(4), (5), (6) & (8)

59701/46.

66

C. O.

Mr. Reddaway

Mr. Galsworthy 29/10 — see revised draft

Mr.

Permt. U.S. of S.

Mr.

Parly. U.S. of S.

Mr.

Secretary of State.

For Mr. Galsworthy's signature.DRAFT.D/OD. R. SERPELL, ESQ., O.B.E.,
TREASURY.

Dear Serpell,

I forward the attached copies of recent telegrams from and to the Governor-General, Malaya, on the subject of the current Brunei Estimates, in case they may be of interest to the Treasury. The Estimates in question cover the period from 6th July, 1946, the date of the restoration of civil government in Brunei, to 31st December, 1946. A deficit over the period of £15,000 is budgetted for, but it seems probable that this figure may be reduced by curtailment of special expenditure owing to the shortage of materials. The nominal value of Brunei Reserve Funds at present held by the Crown Agents is about £192,000 and it seems clear that the estimated deficit can be very easily carried. We are bearing in mind the fact that, like the other Borneo territories, Brunei has liabilities, at present unknown, in respect of (a) repayment of its share of the cost of relief and rehabilitation goods, (b) a contribution towards the costs of the Military Administration, and (c) a contribution towards

FURTHER ACTION.

(4) (5) and (6) and (8)

67

towards the cost of war damage compensation; but even when these unknown liabilities are taken into account, we think that Brunei can be regarded as in a reasonably sound condition financially - particularly having regard to its bright prospects from oil revenue.

We intend to send a copy of the detailed estimates when received to the Treasury for their information.

Yours sincerely,

INWARD TELEGRAM

8
68

COPY FOR REGISTRATION

Code

FROM GOVERNOR-GENERAL, MALAYA (Mr. M. MacDonald)
(at Singapore)

TO S. OF S., COLONIES.

D. 22nd October, 1946.

R. 22nd " " 10.10 hrs.



No. G.G. 260.

Your telegram No. 273. — 6

I have approved the 1946 Brunei Estimates and will forward copies later together with Residents memorandum.

Paragraph 2. As regards salary, terms of service, treatment of Asiatic staff, etc. Brunei is following generally the principle adopted by Malaya.

5.

Paragraph 3. The revenue figures in my telegram No. 197 do not (repeat not) include receipt from sale of consumer goods. Supplies Department not included in Estimates but regarded as separate entity.

INWARD TELEGRAM

7
69

Code

COPY FOR REGISTRY



FROM GOVERNOR-GENERAL, MALAYA,
(Mr. M. Macdonald) (at Singapore)

TO S. OF S., COLONIES.

D. 9th October, 1946.

R. 9th " " 07.00 hrs.

G.G. No. 229

Brunei Estimates.

Grateful for early reply
to my telegram No. 197 dated
11th September.

Reply sent see (6)

J.A.

OUTWARD TELEGRAM

6.

70

59701/46

Code

TO GOVERNOR-GENERAL, MALAYA (Mr. M. Macdonald)
(at Singapore)

FROM S. OF S., COLONIES.

Sent 11th October, 1946. 10.45 hrs.

No. 273

and by 8

Your telegram No. G.G. 197.

Brunei Estimates.

1. Past practice was that Brunei Estimates were not submitted for prior approval here, but were forwarded to my predecessors after approval by the High Commissioner for the Malay States, together with a memorandum by the British Resident on the State's financial position and prospects, and such general observations as the High Commissioner wished to make.

2. For the present I do not wish to suggest any modification of this procedure, and I am quite content that the detailed Estimates should be forwarded to me after you have approved them. I request however that any actual expenditure involving a point of principle likely to have repercussions on other Far Eastern territories (e.g. salaries, terms of service, treatment of Asiatic staff, etc.) should be referred to me for prior approval, and that until further notice you will keep me informed of the general financial trend of the State by the submission of quarterly returns.

3. Presume that revenue figure in your telegram does not repeat not include receipts from sale of consumer goods made available for Brunei from those procured through Crown Agents for all the territories in North Borneo, and that such receipts are being kept separately so that they will be available to meet the cost of those goods when the bill is presented to Brunei Government. Grateful for confirmation.

59701/46.

C. O.

Mr. Galsworthy 24/9

Mr. Palmer 27/9

Mr. Emanuel 7/10

Mr. Mayle 9/10 at home

Mr.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Coded & sent 10.45 L 11/10/46 mark.

RECEIVED
11 OCT 1946

ans'd by 8.

DRAFT. CODE TELEGRAM

No. 273

GOVERNOR-GENERAL,
Singapore.
MALAYA.

(5)

Your telegram No. G.G. 197.

Brunei Estimates.

1. Past practice was that Brunei Estimates were not submitted for prior approval here, but were forwarded to my predecessors after approval by the High Commissioner for the Malay States, together with a memorandum by the British Resident on the State's financial position and prospects, and such general observations as the High Commissioner wished to make.

2. For the present I do not wish to suggest any modification of this procedure, and I am quite content that the detailed Estimates should be forwarded to me after you have approved them. I request however that any actual expenditure involving a point of principle likely to have repercussions on other Far Eastern territories (e.g. salaries, terms of service, treatment of Asiatic staff, etc.) should be referred to me for prior approval, and that until further notice you will keep

FURTHER ACTION.

Recirc. to Mr. Galsworthy for further action with the Treasury.

me

me informed of the general financial trend of the State by the submission of quarterly returns.

3. Presume that revenue figure in your telegram does not repeat not include receipts from sale of consumer goods ~~procured~~ made available for ^{BRUNEI} Brunei from ^{THOSE} those ^{PROCURED} procured through Crown Agents for all ^{THE} the territories in ^{NORTH} N. ^{BORNEO} Borneo, and that such receipts are being ^{KEPT} kept ~~separately~~ separately so that they will be available to ^{MEET} meet the ^{COST} cost ^{OF} of ^{THOSE} those ^{GOODS} goods ^{WHEN} when ^{THE} the bill is ^{PRESENTED} presented ^{TO} to ^{BRUNEI} Brunei ^{GOVT.} Govt. for confirmation.

INWARD TELEGRAM

77
13 SEP 1946
5

Code

COPY FOR REGISTRATION

FROM GOVERNOR GENERAL, MALAYA
(Mr. M. Macdonald) (at Singapore)

TO S. OF S., COLONIES.

D. 11th September, 1946.

R. 11th " " 11.00 hrs.

G.G. No. 197

Your telegram No. 147.

4
59701/46

Revised Brunei Estimates period 6th July
to 31st December, 1946, as follows (in thousands of
pounds sterling):-

Personal emoluments	33
Expenditure recurrent	52
Special	<u>23</u>
Total	108
Revenue	<u>93</u>
Deficit	<u>15</u>

Owing to shortage of materials, unlikely that
special expenditure target will be reached. Do you
wish detailed Estimates forwarded for your examination
or may approval be given forthwith?

OUTWARD TELEGRAM

74 4

59701/46

Code

*answered by
5/1*

TO GOVERNOR-GENERAL, MALAYA (Sir M. Macdonald)
(at Singapore)

FROM S. OF S., COLONIES.

Sent 10th August, 1946. 21.30 hrs.

No. 147

Brunei Estimates.

1. Stafford, former Chief Financial Adviser to B.M.A.(BE), has supplied copy of Estimates of Revenue and Expenditure for Brunei for period 1st April to 31st December 1946, which were drawn up by B.M.A.(BE) on assumption civil government would be resumed on 1st April.

2. Stafford has pointed out however that, in consequence of postponement of restoration of civil government until July, these draft Estimates would require to be entirely recast. He has suggested following as basis for Estimates for period 15th July to 31st December (all figures in pounds sterling):

(a) Expenditure. Recurrent 53,000.
special 16,000. Total 69,000.

(b) Revenue. 49,000.

(c) Deficit. 20,000.

3. Glad to know whether fresh Estimates are being prepared, or what modifications are proposed to draft Estimates drawn up by B.M.A.(BE).

C. O.

Mr. Galsworthy 9/8

Mr. Mayle 19/8 at time

Mr.

Mr.

Mr.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

Coded & sent

21.30 hrs

10/8/46

M & M

DRAFT.Code
TELEGRAM

No. 147

Brunei Estimates.

GOVERNOR-GENERAL,
MALAYA.

1. Stafford, former Chief Financial Adviser to B.M.A. (BB), has supplied copy of Estimates of Revenue and Expenditure for Brunei for period 1st April to 31st December, 1946, which were drawn up by B.M.A. (BB) on assumption civil government would be resumed on 1st April.

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- (a) Expenditure. Recurrent 53,000, special 16,000. Total 69,000.
- (b) Revenue. 49,000.
- (c) Deficit. 20,000.

FURTHER ACTION.

3. Glad to know whether fresh Estimates are being prepared, or what modifications are proposed to draft Estimates drawn up by B.M.A. (BB).

59701 3
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EXTRACTS FROM MEMORANDUM BY COLONEL STAFFORD
CONCERNING BRUNEI ESTIMATES FOR 1946.

*
British Borneo Budget Estimates
*

The uncertainty of the date at which the territories would be restored, and the acute shortage of staff has not permitted Budget Estimates to be prepared in a suitable form to be handed to the incoming Civil Governments. This was possible for Sarawak and the draft Estimates so prepared were adopted. Estimates have however been compiled for the other three territories on the assumption that Civil Government would be restored on the following dates.

Brunei

1st April, 1946.

2. These Estimates have been compiled roughly on the basis of the pre-war establishments as modified by the Military Administration and an attempt has been made to provide for a working Administration for the remainder of the financial year. The Estimates were intended merely as a guide to the incoming Government to keep the machine going until a policy is formulated and rehabilitation proper is put in hand.

3. The Estimates prepared on the above basis reach the following summary:-

	<u>Recurrent Expenditure</u>	<u>Special Expenditure</u>	<u>Total</u>	<u>Revenue</u>	<u>Deficit</u>
Brunei	769,765	224,750	994,515	640,422	354,093

4. This Deficit, in sterling, is
£41,310 for 9 months.

5. In the circumstances that exist at present the above summaries are only of value as a rough guide. The date of restoration of Civil Government being $3\frac{1}{2}$ months later than was originally anticipated means that the recurrent expenditure for that period and some part of the special expenditure will have been met from Military funds. The special expenditure is dependent not so much on what requires to be done but on the amount of money which can be spent in the time. The revenue is a reasonable estimate of probability. To achieve any useful result the draft Estimates as they now exist will require to be entirely recast, using the basic framework provided for the cost of establishment and services, and a further scrutiny be made of the projected special expenditure.

6. The following sterling figures are suggested as representing the requirements for the period 15th July to the end of December.

	<u>Recurrent</u>	<u>Special</u>	<u>Total</u>	<u>Revenue</u>	<u>Deficit</u>
Brunei	£53,000	16,000	69,000	49,000	20,000

(Sgd) F.E. STAFFORD
Colonel (C.A.)

Controller of Finance and
Accounts. B.M.A. (B.B.)

War Office,

12th July, 1946.

2
77

NOTE ON THE FINANCIAL POSITION OF
BRUNEI, NORTH BORNEO AND SARAWAK.

I. BRUNEI

(a) Table of Revenue and Expenditure

	<u>Revenue</u>	<u>Expenditure</u>	<u>Surplus</u> <u>Deficit</u>
1926	367,344	297,894	+ 69,450
1927	402,135	426,981	- 24,846
1928	354,761	350,005	+ 4,756
1929	345,290	344,092	+ 1,198
1930	333,079	379,604	- 46,525
1931	342,010	322,791	+ 19,219
1932	362,403	334,329	+ 28,074
1933	580,756	514,812	+ 65,944
1934	645,020	545,021	+ 99,999
1935	813,532	786,201	+ 27,331
1936	928,690	779,521	+149,169
1937	1,049,293	653,150	+396,143
1938	1,179,979	1,476,725	-296,746
1939	1,245,370	1,231,860	+ 13,510
1940 (Est.)	1,359,210	1,375,136	- 15,926

(b) Estimated surplus as on 1/1/40 - £654,161

(c) Average yearly revenue 1936-1940 - £1,153,000

(d) Average revenue per head of
population 1936 - 1940 - £281.

(e) Analysis of revenue

Oil production began on a commercial scale in 1932, since when the revenues of the State have risen rapidly. The following table shows the percentage of annual revenue derived from oil royalties:-

1932	18.8
1933	40.6
1934	43.3
1935	46.9
1936	52.5
1937	46.0
1938	50.2
1939 (Rev. Est.)	53.0
1940 (Est.)	48.5
1946 (Est.)	42.0 (approx.)

It should however be noted that the revenue from sources other than oil doubled itself in the last 6 or 7 years before the war.

II. NORTH BORNEO.

(a) Table of revenue and Expenditure

<u>Year</u>	<u>Revenue</u> £	<u>Expenditure</u> £	<u>Surplus</u> £
1926	3,719,375	2,160,232	1,559,143
1927	3,942,447	2,198,061	1,744,386
1928	3,888,247	2,240,313	1,647,934
1929	3,850,808	2,251,265	1,599,543
1930	3,390,655	2,296,647	1,094,008

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<u>Year</u>	<u>Revenue</u> £	<u>Expenditure</u> £	<u>Surplus</u> £
1931	2,545,019	2,070,476	474,543
1932	2,298,788	1,750,617	548,171
1933	2,325,009	1,623,450	701,559
1934	2,623,305	1,640,254	983,051
1935	2,725,754	1,772,582	953,152
1936	2,847,470	1,720,597	1,126,873
1937	3,485,270	1,797,510	1,687,760
1938	3,270,142	1,882,080	1,388,062
1939	3,527,522	1,942,848	1,584,674
1940	4,231,922	2,136,819	2,095,103

(b) Average yearly revenue 1936-1940 - £3,452,000

(c) Average revenue per head of population 1936 - 1940 - £11.3

(d) Analysis of revenue.

Percentage of revenue derived from customs duties in the years 1936 - 1939 was as follows:-

1936	-	40.4
1937	-	40.8
1938	-	42
1939	-	42

Comparative values of rubber, timber and other exports for the years 1933 - 1939 were as follows:-

	<u>Rubber</u> £	<u>Timber</u> £	<u>Total</u> £
1933	1,534,000	2,271,000	6,021,000
1934	4,867,000	2,257,000	9,684,000
1935	3,783,000	2,218,000	7,818,000
1936	4,251,000	2,593,000	8,986,000
1937	8,787,000	2,842,000	14,295,000
1938	4,738,000	2,177,000	9,526,000
1939	8,055,000	2,436,000	13,453,000

III. SARAWAK.

(a) Table of revenue and expenditure

	<u>Revenue</u>	<u>Expenditure</u>	<u>Surplus</u> <u>Deficit</u>
1927	6,243,066	5,764,318	+ 478,748
1928	6,114,437	6,743,996	- 629,559
1929	6,671,291	6,515,757	+ 155,544
1930	5,562,035	7,089,923	-1,527,888
1931	4,342,909	5,466,367	- 123,458
1932	4,210,559	4,277,278	- 66,719
1933	3,558,580	3,549,074	+ 9,506
1934	4,820,546	3,828,872	+ 991,674
1935	5,087,244	4,222,702	+ 864,542
1936	5,494,069	4,406,230	+1,087,839
1937	4,801,236	4,104,082	+ 697,154
1938	4,261,899	4,272,140	- 10,241
1939	4,762,532	4,200,269	+ 562,263
1940	7,463,314	5,018,007	+2,445,307

(b) Surplus balance as on 1/1/40 - £4,634,598

(c) Average yearly revenue 1936-1940 -£5,357,000

(d) Average revenue per head of population 1936 - 1940 - £10.9

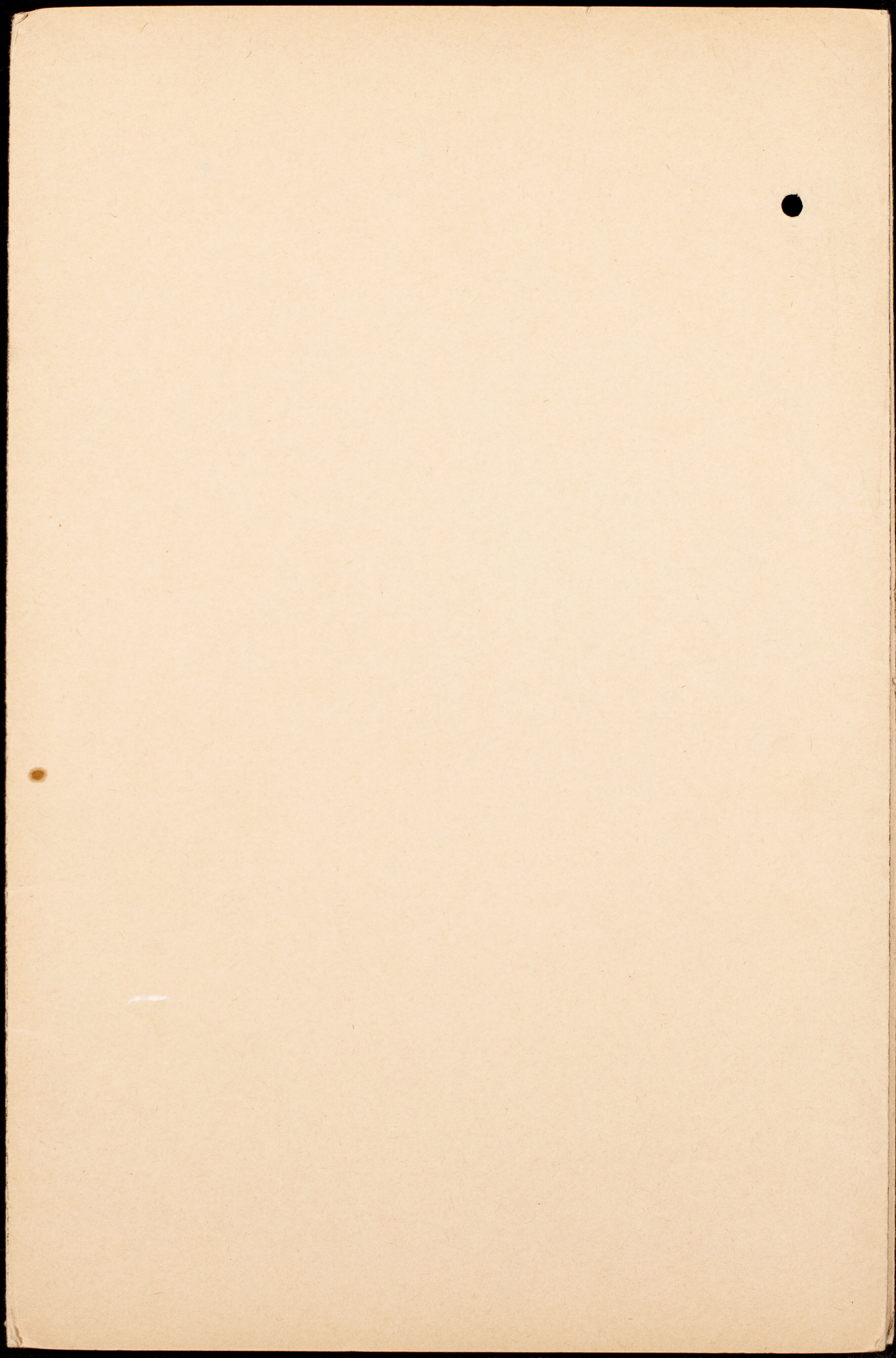
(e)

(e) Analysis of revenue

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END

The following table shows percentage of total revenue derived from import duties, export duties (principally on rubber) and oil royalties:-

	<u>Import duties</u>	<u>Export duties</u>	<u>Oil royalties</u>
1936	31	4.6	5.4
1937	40	8.5	5.6
1938	37	5.4	6.3
1939	37	7.5	4.9
1940	44.2	15.8	2.7



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